

# A SUSTAINABLE CHESNARA

2024



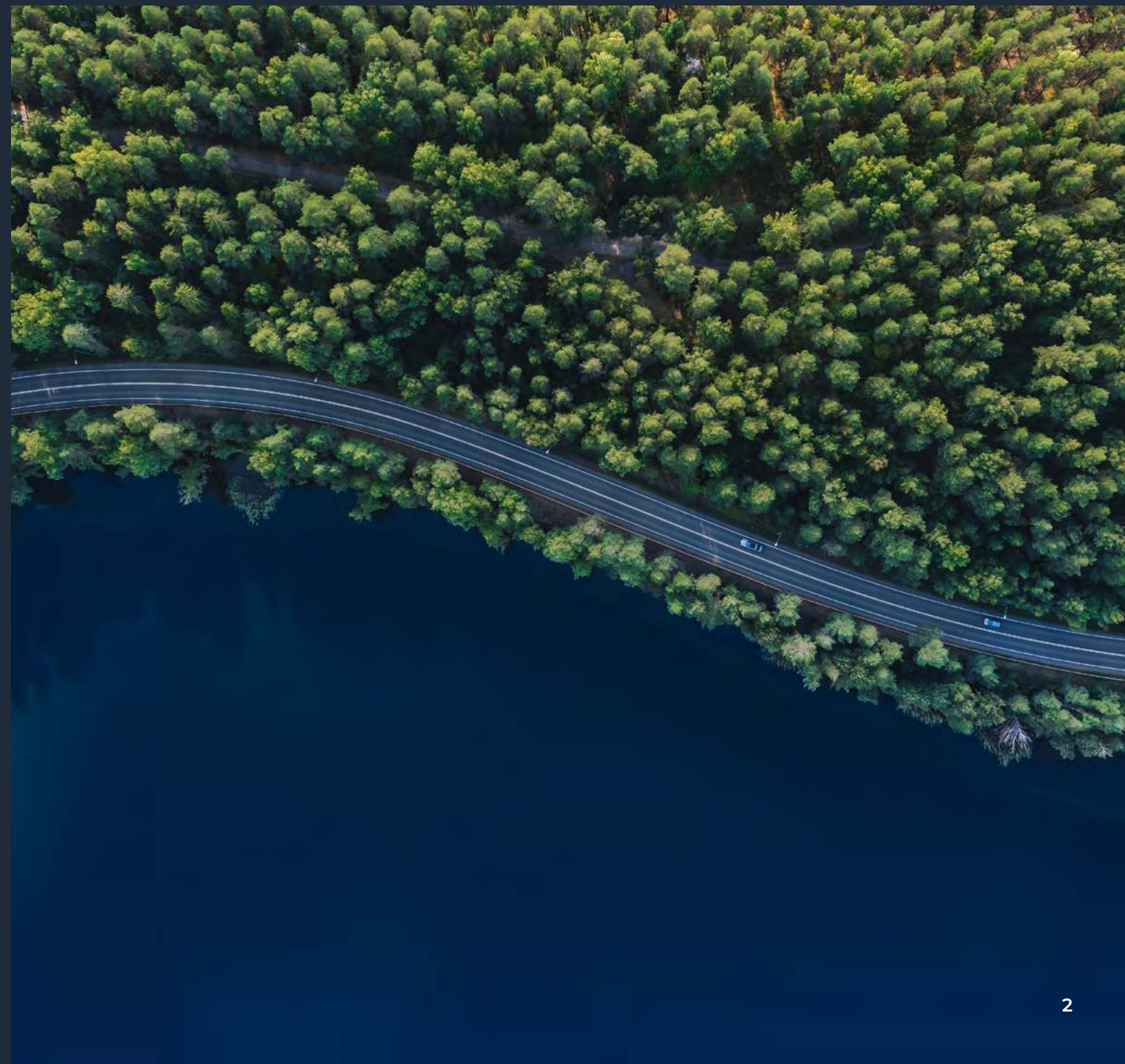
# NAVIGATING OUR REPORT

Welcome to our 2024 Sustainability Report.

If you need to navigate back to the contents page, click the burger icon in the top right of the screen. Underlined words will take you to more detail within this report, or to the relevant website.

We've tried to keep things simple and have pulled out the key aspects from our Climate-Related Financial Disclosures (CRFD) rather than showing the full detail. This document can be read alongside those disclosures, including our assessment of our climate-related risks and opportunities, which can be found [here](#).

For any phrases you may not be familiar with, we've also included a [glossary of terms](#).





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View our Climate-Related  
Financial Disclosures report here



# WELCOME

As we start 2025, we remain in the midst of climate and nature emergencies, with social and humanitarian crises across the planet. It remains both urgent and critical for businesses to do what they can to contribute to social, economic and environmental sustainability. There are different political views that challenge the importance of prioritising work to tackle these issues. We continue to strongly believe we have a responsibility to consider the needs of all our stakeholders, balancing people, planet and profit over the long term. We continue to actively review our sustainability strategy and priorities to ensure that we are working to address the needs of our stakeholders and managing the risks and opportunities presented by a changing world.

There is no quick or easy way for a business to become sustainable; however, we continue to take steps to embed sustainability into decision making across our business, guided by our principles:

**DO NO HARM. DO GOOD.  
ACT NOW FOR LATER.**

This report discusses our progress over the last twelve months and our plans for the years ahead.

A key part of this is articulating how we will transition to a net zero organisation and so we have been working hard to develop our initial plans which we will publish later in 2025. We acknowledge upfront that these plans will likely have more things that we don't yet know than the things we do, but it is important that we don't let the search for perfection stand in the way of progress. Our plans will give details on the foundations we are laying to be able to tackle this challenge and deliver on our commitments.

This is my last report as Chair of the Group Sustainability Committee as my tenure as a non-executive director of the Group will end in May. But I leave knowing that we are laying solid foundations and I look forward to seeing the Group working to become a sustainable Chesnara.

As always, thank you for reading and please contact us with feedback, questions or comments.

*Jane Dale*

Chair of the Group Sustainability Committee and  
Senior Independent Non-Executive Director





# OUR SUSTAINABILITY COMMITMENTS AND GOALS

OUR SUSTAINABILITY  
COMMITMENTS:

**1**  
SUPPORT A  
SUSTAINABLE FUTURE

**2**  
MAKE A  
POSITIVE IMPACT

**3**  
HELP CREATE  
A FAIRER WORLD

OUR GOALS:

**Net zero emissions by 2050**

**Investments in nature and  
social impact solutions**

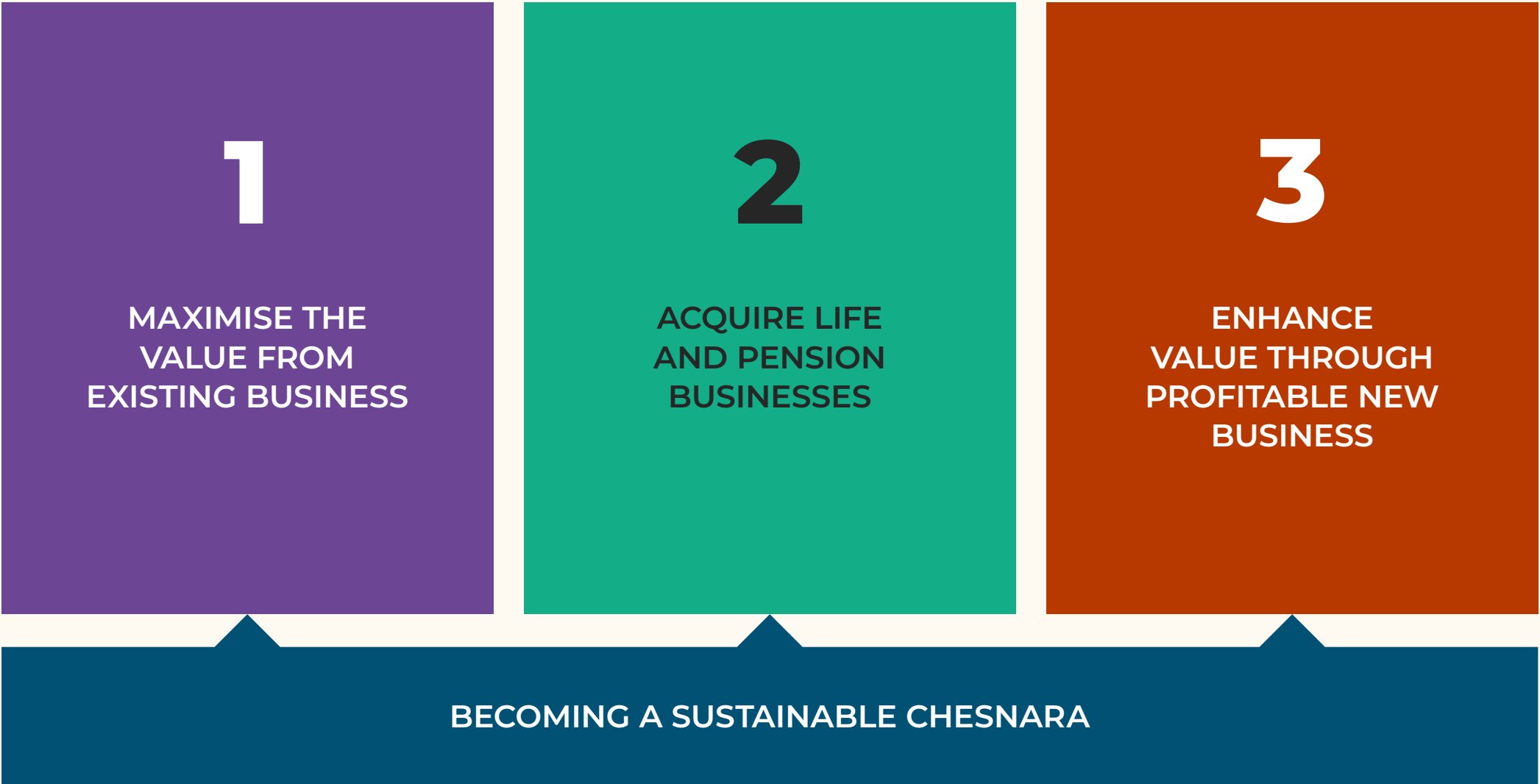
**A business where  
everyone feels welcome**



# OUR STRATEGIC PILLARS

Embedding sustainability into our strategy is essential to becoming a sustainable group.

Underpinning each of our three strategic pillars is our commitment to become a sustainable Chesnara.





# WHO WE ARE

We're a European life and pensions consolidator with shares publicly traded on the London Stock Exchange.

We help protect customers and their dependants by providing life

and health insurance, disability cover or savings and pensions solutions to meet future financial needs. We administer c. 1m policies and we manage £14<sup>1</sup> billion of assets of assets on behalf of our customers and our shareholders.





# OUR BUSINESSES

We operate in the UK, the Netherlands and Sweden. Our businesses are all different and have their own unique elements relating to: where they operate; their business model; the markets; wider society; and stakeholders.

Each of our businesses, together with every acquisition that we make, brings knowledge and experience to share with the wider Group. This raises our standards and makes us greater than the sum of our parts.



UNITED  
KINGDOM

COUNTRYWIDE ASSURED



NETHERLANDS

SCILDON  
WAARD



SWEDEN

MOVESTIC



# WHAT IS SUSTAINABILITY?

Sustainability means fulfilling the needs of the present without compromising the needs of future generations: a balance of economic growth, environmental protection and social responsibility.





# BECOMING A SUSTAINABLE GROUP

Becoming a sustainable group is complex, and we can only do this if we understand the need for change, commit to making the change, and have a plan for how to go about it.

Addressing the climate and nature crises, as well as tackling social inequality, are global imperatives and, as a group, we're determined to play our part.

NEED FOR CHANGE

Decarbonisation and the protection and restoration of nature, together with addressing social inequality, are essential for the future health and wellbeing of the planet and all its inhabitants. The financial services sector is front and centre of this activity because of the sheer scale of the assets that our industry owns and manages, and the influence we can have. This is why businesses like ours need to play a full, ambitious and active role.

COMMITMENT TO CHANGE

We are 100% committed to decarbonising our business, investing in positive solutions, and ensuring we are a group where everyone feels welcome.

Becoming a sustainable Chesnara is a priority for us and our position is clear. Our sustainability strategy is embedded within our wider corporate goals and we are focused on delivering our sustainability targets and commitments.

MAKING THE CHANGE

We're committed to a permanent shift towards sustainability. There's no playbook for how to do this, but there's genuine passion and drive to make this happen right throughout the business.

We'll continue to look after our stakeholders and their needs as well as we've always done, and we will embed sustainability in the heart of every decision we make. We will do the right thing for all our stakeholders and we will balance the needs of people, planet and profit. We want all our customers and employees to feel included and proud to be a part of our Chesnara Group.



# THE GLOBAL CALL TO ACTION

For the UN Sustainable Development Goals (SDGs) to be achieved, businesses like ours will need to play their part. That's why, in 2024, we continued to use the SDGs as a framework to assess where we can contribute to positive environmental and social outcomes. This work involved understanding where we can have the greatest actual and potential impact; not just for the next six years, but so the SDGs become central to our long-term vision for the business too.

We've also spent time educating and engaging our workforce on the SDGs, so they feel empowered to drive action and become part of a holistic process of organisational and societal change.

During 2025, we'll take actions across our investments, supply chains and internal operations to support the SDGs. We'll also integrate the SDGs into our reporting to ensure the impact we have is measurable.





# OUR JOURNEY TOWARDS SUSTAINABILITY

There's a significant amount of work to do but we have continued to make good progress towards our goals.



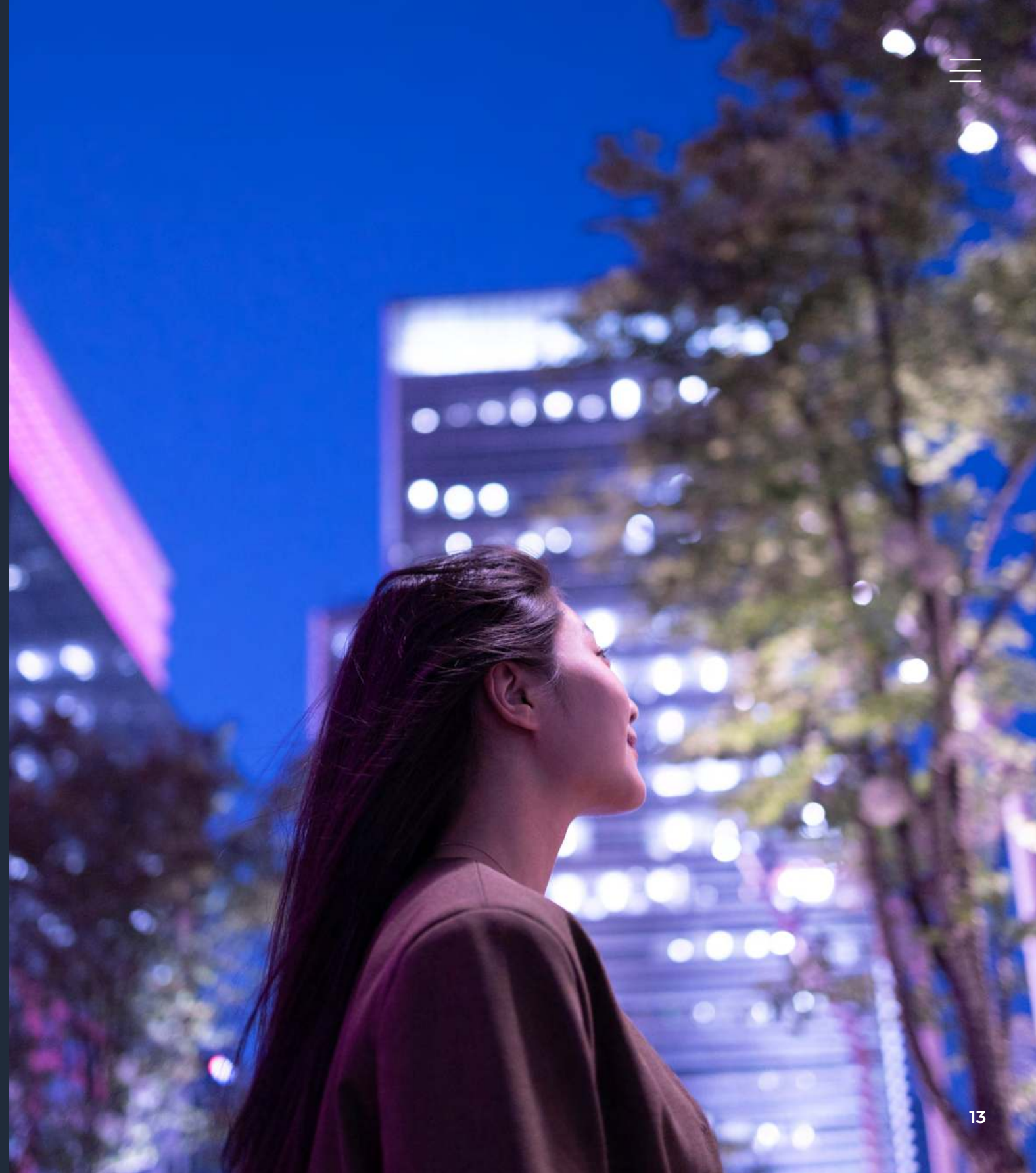
# THE STEPS WE'LL TAKE TO BECOME SUSTAINABLE

In 2024, Chesnara celebrated its 20th anniversary as a listed company and we are proud of this significant milestone. We will continue to embed sustainability into decision making across the business to become a sustainable Chesnara. This will help to ensure that we are able to look after our stakeholders for the next 20 years and beyond.

Sustainability is an ever-evolving field, and we're all continually learning as things change and develop. Our overall targets for sustainability are ambitious and we don't expect the path to be a straight line. We'll be collaborating with peers across our industry to share learnings and sometimes we'll have to modify our plans as things evolve and

change. Being pragmatic and flexible in this way will be key to our overall success and we'll be transparent about any adjustments we make to achieve our sustainability goal.

The scale of our challenge is considerable and we are committed to taking full responsibility for our actions. We believe focusing on manageable changes each year will guide us towards achieving our goals.





# HIGHLIGHTS OF 2024

Four areas we said we’d focus on during 2024 were:

CONTINUE TO DEVELOP  
OUR TRANSITION PLANS  
AND ACTIONS FOR A JUST  
TRANSITION TO NET ZERO,  
INCLUDING ASSESSING OUR  
NATURE-RELATED IMPACTS,  
DEPENDENCIES, RISKS AND  
OPPORTUNITIES

We are drafting our groupwide transition plan, in line with IIGCC’s Net Zero Investment Framework 2.0, for publication later this year. We have also started our initial assessment on the Group’s nature-related impacts, dependencies, risks and opportunities.

CONTINUE TO EMBED  
SUSTAINABILITY INTO  
DECISION MAKING AT ALL  
LEVELS ACROSS THE GROUP

Sustainability is becoming more integrated in everything we do, including being part of acquisition assessment processes, investment decision making, third-party selection processes and our governance framework.

ROLL OUT OUR SOCIAL  
VALUE FRAMEWORK AND  
START TO DELIVER OUR  
SUSTAINABILITY SKILLS  
DEVELOPMENT PROGRAMME  
TO ALL EMPLOYEES

We have continued to deliver focused social value activities across the Group and our people have all received training on the importance and relevance of sustainability.

PROGRESS OUR ASSESSMENT  
OF REPORTING FRAMEWORKS

We have continued to assess forthcoming reporting requirements, in line with when they will become effective. We are considering the impact of the EU Omnibus proposals announced in February 2025, which would mean we would no longer have to implement CSRD across the Group.



# EMBEDDING SUSTAINABILITY

We are taking steps to embed sustainability into how we think, act, and innovate. This is for the benefit of our stakeholders. Our goal is for sustainability to be owned by everyone at every level in the business, and for sustainability to be integral to every conversation we have and every decision we make.

We are therefore working hard to integrate sustainability into our governance framework, policies and processes, with the aim of ensuring decision making across the Group reflects our commitment to becoming a sustainable Chesnara.



# OUR GOVERNANCE FRAMEWORK

We operate a well-established, robust governance framework which underpins everything we do. This framework allows us to respond to the needs of our stakeholders and evolving market conditions. We'll be building on the bedrock of this governance framework as we transition to a sustainable Chesnara, following our governance principles which can be found [here](#).

The Group Chief Executive Officer takes overall accountability for sustainability at group level, with the support of divisional CEOs and other executive management. There is a short-term incentive bonus scheme for Group and UK executives, with ESG included as part of the Group directors' strategic objectives. More detail is provided in the Annual Remuneration Report within the 2024 Annual Report and Accounts.

We factor into the due diligence process for potential acquisitions an assessment of the target company's approach to sustainability and consider the emissions of their operations and underlying assets. At the end of 2024, we reached an agreement to acquire a closed portfolio of unit-linked bonds and legacy pension business from Canada Life. Sustainability was a key part of the due diligence performed and was considered as part of the decision making process.





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## GROUP BOARD

The Board defines the Group's purpose, values and strategy, including with regards to sustainability. It ensures that necessary resources and structures are in place and oversees the Group's progress towards achieving its purpose and delivering its strategy. The Board receives regular reporting on sustainability matters, including progress towards our sustainability commitments and targets. In 2024, such reporting included specific consideration of the Group's climate change risk assessment (with support from the GA&RC). The Group Board had access to our UK sustainability learning platform, Sustainability Unlocked. Specific training on transition plans and their key elements was delivered to executive and non-executive directors across the Group during 2024.





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**GROUP AUDIT & RISK COMMITTEE (GA&RC)**

The role of the GA&RC includes reviewing and monitoring the current and potential future risk exposures, including those relating to sustainability. The GA&RC oversees the Group's monitoring of climate-related risk exposures and reviews the Group's external non-financial reporting.





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COMMITTEE

GROUP SUSTAINABILITY  
COMMITTEE

SENIOR LEADERSHIP  
TEAM

GROUP INVESTMENT  
COMMITTEE

SUSTAINABILITY WORKSTREAM  
WORKING GROUPS

## GROUP NOMINATION & GOVERNANCE COMMITTEE

The Nomination & Governance Committee plays a key role in ensuring that the composition of the Board and its committees is appropriate and members have the necessary skills, knowledge and experience to discharge their duties effectively, including with regard to climate change and sustainability. It is also responsible for reviewing the Group's governance practices and procedures to ensure they remain appropriate and reflect best practices.





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**GROUP REMUNERATION COMMITTEE**

The role of the Remuneration Committee is to ensure that the Remuneration Policy promotes, encourages and drives the sustainable success of the Company and long-term growth of shareholder value of which climate change plays a key role.





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## GROUP SUSTAINABILITY COMMITTEE (GSC)

This committee of group and divisional executive management is chaired by Jane Dale, the Group's Senior Independent Non-Executive Director. Jane's tenure as a non-executive director of the Group is ending in May 2025 and therefore steps to appoint a replacement Chair are ongoing.

Members meet to oversee progress of our sustainability work across the Group, including reviewing our strategic priorities and operational objectives, reviewing sustainability-related risks and opportunities, and allocating resource and budget. The GSC annual agenda planner determines which issues are raised at each meeting and, in discussion with Senior Leadership Team and Group Investment Committee, the GSC decides which items should be escalated to the Board.

The GSC interacts with the Board and the committees below in the following ways:

- with the Board on the sustainability strategy and embedding it into the overall Group strategy through the Group CEO and Senior Independent Non-Executive Director;
- with the GA&RC on ESG risks and external disclosures, including TCFD;
- with the Nomination & Governance Committee on matters regarding Board composition and sustainability-related skills, knowledge and experience;
- with the Remuneration Committee on trends in which management are and should be incentivised on ESG factors;
- with the GIC on investment-related matters, including the transition plan to net zero; and
- with the SLT and divisional executive committees to facilitate all of the above.



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**SENIOR LEADERSHIP TEAM (SLT)**

The SLT supports the Group Chief Executive with the day-to-day management of the Group, including the implementation of the Group's strategy, business plans and Risk Management Framework. It supports the identification and review of risks impacting the Group, including any material variations in the impact of climate change upon the Group. This feeds in to the Group Risk Officer's quarterly risk report to the Board.





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## GROUP INVESTMENT COMMITTEE (GIC)

The GIC is in place to challenge and support the Group CEO and the leadership team. The GIC Terms of Reference specifically include consideration of sustainability factors, including overseeing the asset managers' approach to ESG and climate change-related matters. Working with the GSC, the GIC will focus on the just transition of the Group's asset portfolio in line with its net zero targets. The GIC and GSC also work together to identify further potential areas of impact investing. The divisions also have local investment committees who are fundamental to the transition and provide oversight of the asset managers across the Group.





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## SUSTAINABILITY WORKSTREAM WORKING GROUPS

Established alongside the GSC, these groups consist of our key sustainability leaders across all divisions in the business, for investments, operations and reporting.

In addition, we have established a Transition Plan Steering Group to oversee and direct the production of our transition plan and delivery of the actions that will be identified.





# LOOKING AFTER OUR STAKEHOLDERS

We are committed to considering the needs of our stakeholders and the steps we are taking to become a sustainable Chesnara will benefit our key stakeholders.

- OUR CUSTOMERS
- OUR PEOPLE
- OUR INVESTORS
- THE PLANET
- OUR REGULATORS
- OUR SUPPLIERS, PARTNERS AND ASSET MANAGERS





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**OUR CUSTOMERS**

Our customers will keep receiving the same strong levels of financial security and quality service they’ve always done.

We’ll provide more sustainable investment choices for our customers and, for our closed-book operations, we’ll make sure we’re managing policies in line with customers’ sustainability choices and helping them to manage the risks to their investments posed by factors, such as climate change.



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AND ASSET MANAGERS



## OUR PEOPLE

Our people are our most valuable asset and they will be key to ensuring the success of our sustainability plans. Embedding sustainability into everyone's roles and having specific sustainability-related objectives will help drive the change that is needed.

We will continue to be an inclusive, equitable environment where everyone feels valued and involved.



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**OUR INVESTORS**

Our proactive approach to addressing sustainability risks will safeguard the Group and enable us to be positioned to continue paying dividends and interest payments to our equity and debt investors.

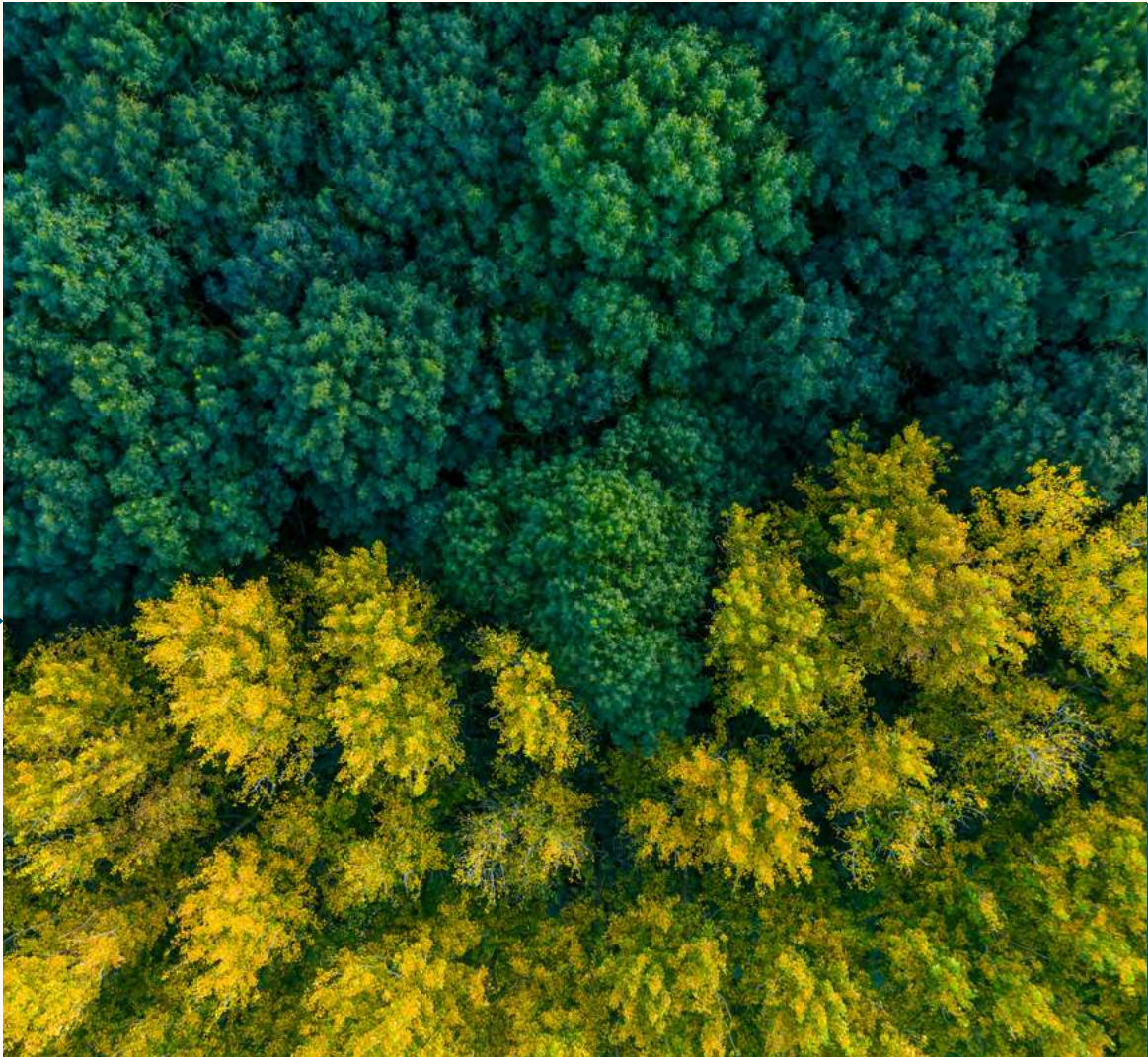
Meeting our net zero targets will help to protect our investors from the downside valuation risks that could crystallise if we don't transition effectively.



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**THE PLANET**

We'll be reducing the impact of human-generated climate change and biodiversity loss by transitioning to be a net zero business.

We'll accelerate the transition by directing capital to positive solutions which will work to reduce the amount of human-inflicted damage to climate and biodiversity.



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**OUR REGULATORS**

We'll engage with our regulators on our ambitions and achievements, whilst demonstrably managing our sustainability-related risks. We'll continue to meet regulatory and statutory requirements and comply with forthcoming legislation. Regulators can be confident we're a sustainable choice of consolidator for policies and businesses across our target markets.



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**OUR SUPPLIERS, PARTNERS AND ASSET MANAGERS**

We'll actively work with our key asset managers, suppliers and partners to ensure that they all have credible transition plans that align with our own. This will help ensure the resilience of our value chain.



# OUR POLICIES AND PRINCIPLES

We have a number of policies and principles that underpin the work we do and the way we do it. Our fundamental duty is to look after our stakeholders and these policies and principles are designed to ensure that we do. Some of the key areas are shown below:

- CUSTOMER CARE >
- BUSINESS ETHICS >
- FINANCIAL CRIME, BRIBERY AND CORRUPTION >
- HUMAN RIGHTS AND MODERN SLAVERY >
- TAX >
- DATA PRIVACY >
- CYBER CRIME >





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|                                         |   |
|-----------------------------------------|---|
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| BUSINESS ETHICS                         | > |
| FINANCIAL CRIME, BRIBERY AND CORRUPTION | > |
| HUMAN RIGHTS AND MODERN SLAVERY         | > |
| TAX                                     | > |
| DATA PRIVACY                            | > |
| CYBER CRIME                             | > |

## CUSTOMER CARE

All our divisions are committed to good levels of customer care: providing customers with financial security and good outcomes on their individual journeys. We continue to examine our interactions across the Group to see how we can enhance or improve our customers’ experience. We have processes in place to identify, assess and manage risks to customer outcomes and to ensure that our products continue to meet customers’ needs.

Our UK business is committed to complying with the requirements of the FCA’s Consumer Duty to deliver good customer outcomes. More information on Consumer Duty and the work we have done can be found on [page 61](#).

**Other key activities we’ve undertaken across the Group for our customers are:**

- engaging with customers and reviewing key communications to ensure we’re always clear, concise and provide the information customers need to make effective decisions;

- offering flexibility and additional support for vulnerable customers;
- enhancing our websites with accessibility tools;
- enhancing our Product governance framework to make sure our products always offer fair value and meet customers’ needs;
- providing our own sustainability scoring framework, based on external ratings, for customers in Sweden so that they can understand the sustainability impact of their investments; and
- providing regular in-house training to make sure we are best placed to provide the best possible level of customer care.

**We’ll always put our customers’ experience at the heart of our business and we’re delighted to be engaging them on our sustainability journey too.**





# OUR POLICIES AND PRINCIPLES

We have a number of policies and principles that underpin the work we do and the way we do it. Our fundamental duty is to look after our stakeholders and these policies and principles are designed to ensure that we do. Some of the key areas are shown below:

- CUSTOMER CARE
- BUSINESS ETHICS
- FINANCIAL CRIME, BRIBERY AND CORRUPTION
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## BUSINESS ETHICS

The principles and policies underpinning our governance framework are designed to encourage high standards of ethical and business conduct. We’ve got a suite of risk and HR policies which comply with the laws and regulations of the countries we work in, and which clearly lay out ethical boundaries and guidelines for us to operate with integrity. Each business within the Group is responsible for making sure the governance arrangements are effective and are integrating environmental and social factors within their risk assessment system. Every employee also takes personal responsibility for working within the framework. Our Board of Directors hold the ultimate responsibility for our ethical business culture and is committed to addressing any issues that may arise.

### Whistleblowing

We promote a culture where anyone can speak up about any concerns they may have within our business. There’s a Whistleblowing Policy in each division, which complies with local regulatory requirements and facilitates the communication of wrongdoing or suspected

wrongdoing in a safe and confidential matter. We are committed to ensuring that individuals who raise concerns in good faith are provided protection from retaliation, harassment or unfair treatment. We review these policies on an annual basis. The key elements of our whistleblowing practices and procedures are included on our [website](#).

In the UK, the Group Audit & Risk Committee Chair is appointed as a Whistleblowing Champion, whose responsibilities are aligned to the requirements set out in the PRA’s Senior Managers Certification Regime. The policy is shared with all new joiners and is re-circulated to all employees whenever it’s updated. We ask all staff to read it and confirm that they understand the contents, with 100% attestation response in 2024. We’ve got similar arrangements within our overseas divisions and any outsource service providers.

In 2024, there were no whistleblowing incidents in any of our divisions and we’re happy to report that our policies and related control systems have been operating effectively.



100%  
attestation response to our  
Whistleblowing Policy in 2024



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## FINANCIAL CRIME, BRIBERY AND CORRUPTION

We’re committed to preventing financial crime and protecting individuals and society. We act fairly and ethically, and our policies are designed to help us actively manage any financial crime matters or occurrences.

We comply with all anti-bribery and corruption laws in all markets and jurisdictions where we do business, and we demand the same from all third parties who provide services to our Group.

Sitting alongside our policies and our Gifts and Hospitality Register, we provide regular mandatory training on anti-bribery and corruption, anti-money laundering, conflicts of interest and financial crime prevention. Our Group compliance teams prepare and monitor this training which is designed to safeguard against financial crime, bribery or corruption in line with local regulation or legislation. The Audit & Risk Committees across the Group have oversight of activity. Our anti-money laundering principles can be found on our [website](#).

There were no reports of bribery or corruption in 2024





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- CYBER CRIME >

## HUMAN RIGHTS AND MODERN SLAVERY

We are committed to ensuring our Group is an inclusive environment for all employees, customers and stakeholders. We are signatories to the UN Global Compact and so will be required from 2025 to submit an annual Communication on Progress Report setting out specific actions taken, including for human rights.

Chesnara has zero-tolerance to the abuse of human rights and to modern slavery and is committed to acting ethically and with integrity in all of its business dealings and relationships. We seek to avoid causing or contributing to adverse human rights impacts by operating and enforcing effective systems and controls to ensure human rights abuse and modern slavery are not taking place anywhere in the Group or its supply chains.

We comply with all relevant provisions set out in the UK Modern Slavery Act 2015 and European Convention on Human Rights treaty (as appropriate). As required under the UK Modern Slavery Act, we have published a Modern Anti-Slavery Statement which sets out our approach to assessing and mitigating the risk of modern slavery through our operations, supply chain and investments and is available [here](#).

There have not been any breaches of human rights or the Modern Slavery Act during the reporting period.





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## TAX



We believe that tax plays a pivotal role in our overall approach to a sustainable Chesnara. We’re transparent about tax right across the Group and strive to ensure that we pay our fair share.

Our tax contributions are important because they come from our own corporate profits and we also settle tax on behalf of our customers, staff and suppliers. Every tax calculation we make is therefore aligned to our wider corporate governance map and ethical standards.

Tax processes can be complex, and subject to constant change, so we aim to work collaboratively with tax authorities and always within the spirit and letter of the law.

**Our tax strategy consists of three main principles:**

- commitment to tax compliance;
- responsible attitude to arranging our tax affairs; and
- the effective management of the risks associated with tax compliance.

These principles are discussed in more detail in our tax strategy which is reviewed and discussed annually with the Board.

This is how we conduct our tax affairs responsibly and in a trustworthy manner that meets the expectations of our customers and others in the wider environments in which we operate.

Communications around tax can be hard to comprehend and we’re committed to improving our reporting, maintaining transparency and fostering trust. Harmonised tax rules and improved global reporting initiatives mean that we, and other similar multinational groups, have new opportunities to assess the quality of our reporting and the impact tax has on the communities where we operate.

**As we continue to grow, we’ll make any changes necessary to reporting standards and metrics so that all stakeholders fully understand our approach to tax.**



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## DATA PRIVACY

We handle substantial volumes of personal information every day and take our data protection responsibilities extremely seriously. Our commitment to safeguarding customer privacy is unwavering, and we actively collaborate with regulators and authorities to guarantee we’re adhering to the latest data protection legislation.

Each of the local Data Protection Officers (DPOs) have ownership of their policies, and the Group Chief Risk Officer is responsible for ensuring that the policies align with the Group’s data



security principles. Local DPOs guide and assist the broader business, including our outsourced partners, in meeting the Group’s data protection obligations. The DPOs also actively engage in and support group assurance activities, ensuring we are aligned with the relevant data protection legislation. Acting as a liaison with regulatory bodies like the Information Commissioner and individual data subjects, the DPOs address concerns related to the processing of personal information.

All colleagues undergo training to crystallise their understanding of their data protection obligations. The repercussions for any breaches, whether through malicious attacks or accidental errors, are significant and can include disciplinary actions, up to and including dismissal.

Our robust processes are designed to identify, report, and resolve data breaches promptly. Errors do occur sporadically, but we’re glad to report that there were no substantial or widespread data breaches that compromised the security of the data we manage in 2024.

The Digital Operational Resilience Act (DORA) (EU 2022/2554) is now in effect and our European businesses are considered to be materially compliant with the new regulations, taking account of their size and overall risk profile, as well as the nature, scale and complexity of their services, activities and operations. We have leveraged our skills and resources across the Group to drive efficient change within each of the business units. Our full support of the provisions laid out in the act underscore our dedication to fortifying the operational resilience of our digital infrastructure. We have a groupwide response framework to potential cybersecurity threats and disruptions and aim to service and protect every client’s valuable data.

Our UK teams already operate in line with the guidance set by the Prudential Regulation Authority under PRA SS2/21 on operational resilience and outsourcing and third-party risk management. We have a strong track record of reacting to and embedding regulatory change into our operations.



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## CYBER CRIME

One of our top priorities is to keep our customers and colleagues safe. Throughout 2024, we continued to strengthen and enhance our security across the Group with a rolling improvement programme and continuous investment in security services, alongside mature controls and principles.

Cyber crime is a relentlessly sophisticated and pervasive challenge for firms, where tactics are constantly adapting to exploit vulnerabilities. We work with external subject matter experts to validate and evolve groupwide security principles to protect all clients, colleagues, and commercially sensitive information across the Group. We review principles at least annually and we often leverage regional regulatory changes to benefit everyone involved.

Our strategy is to operate a layered security model to ensure that there is no single point of reliance within a security layer. This includes preventing and detecting threats and responding to them. Additionally, we’ve increased investment in our human firewall, by arming our colleagues with regular in-focus training and simulating sophisticated phishing attacks.

Our Group Board of Directors maintains overall oversight of our cyber security status and, in the UK, there is an Information Security Steering Group which is responsible for cyber security across our UK business. Our Group Board of Directors receives training from external subject matter experts, and we have implemented a Group Cyber Response Framework which is tested at least annually.

Our security approach undergoes external audits at least annually, with engagement from third-party subject matter experts. We assess the efficacy of our security defences, by leveraging third parties to simulate cyber threats and scan internal and external resources for vulnerabilities. The testing approach stress

tests both technical protection services and identification and response policies. To ensure our operation remains resilient, we asses our cyber response through workshops to identify vulnerabilities that may be a risk to our impact tolerances.



**We’re pleased to report no significant cyber-related incidents throughout the entirety of 2024.**



# 2024 PROGRESS

- We are integrating responsible practices into every decision to ensure long-term sustainability that benefits people and our planet. We have taken steps to embed sustainability into our business:
- Began to **engage with our key asset managers and suppliers** to understand their own decarbonisation plans and how they will support us in meeting our commitments
  - **Included sustainability as a requirement in our annual policy review cycle** across the Group and **increased our disclosures** on what we do and how we do it on our website, including diversity, remuneration and whistleblowing
  - All employees across the Group have completed **training on sustainability** to give us a common understanding of what it means to us and our business
  - Enhanced our climate change risk assessment and included climate change as a **principal risk** in the 2024 Annual Report and Accounts
  - Embedded sustainability into the **acquisition process** to assess sustainability-related risks and opportunities arising from potential businesses or portfolios
  - Updated our UK **Expense Policy** to encourage sustainable travel choices



Embedding sustainability into decision making will continue to evolve and progress as we continue on the journey to meet our goals.



# GROUP SUSTAINABILITY TRAINING PROGRAMME

To help embed sustainability into decision making at all levels, we have delivered our groupwide Sustainability Skills Development Programme. Across the Group, we partnered with Sustainability Unlocked, Kyden and PwC to deliver over 1,700 hours of sustainability-related learning to employees, covering a variety of topics including the role of financial services in tackling sustainability risks and issues facing our stakeholders. Sustainability training will form a key part of our annual training programme, helping colleagues to build sustainability into their role.

In addition, the Group and divisional directors received training on transition planning, delivered by the Institutional Investors Group on Climate Change (IIGCC). Key aspects of this training included the critical role of transition plans, regulatory drivers and Board responsibilities.

**1,700**  
hours of sustainability-related  
learning delivered to employees



# CLIMATE RISK MODELLING

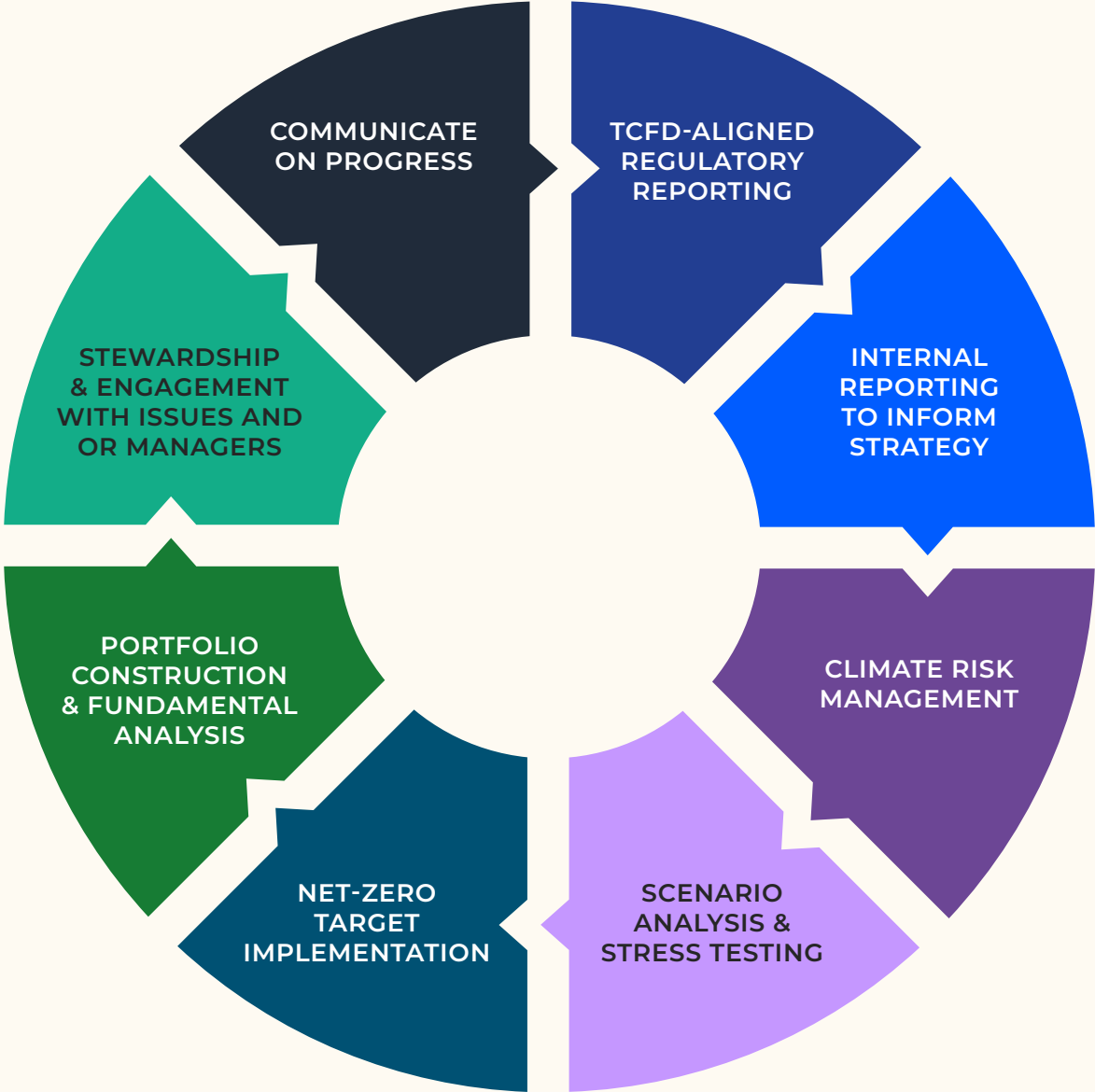
Climate scenario analysis is a critical tool for assessing the resilience of our business to climate risk and the success of our net zero strategy.

During 2024, we completed an assessment to understand the resilience of our investment portfolio to climate risk. This analysis is a key consideration in the development of our transition plan as we consider how we mitigate the risks we are facing as a result of climate change.

We focused our assessment on a metric called Climate Value at Risk (CVaR). This is a forward-looking measure of the potential impact of climate on our portfolio of invested assets and is used to help us understand and manage climate risks.

We have used a climate risk model provided by MSCI which uses data from the Network for Greening the Financial System (NGFS) scenarios. Both the methodology and data will continue to evolve over time reflecting the fact that the industry approach to modelling climate change is in its infancy and is continuing to develop.

The CVaR is considered under different scenarios to understand how the climate risk changes under different circumstances.



# CLIMATE RISK MODELLING

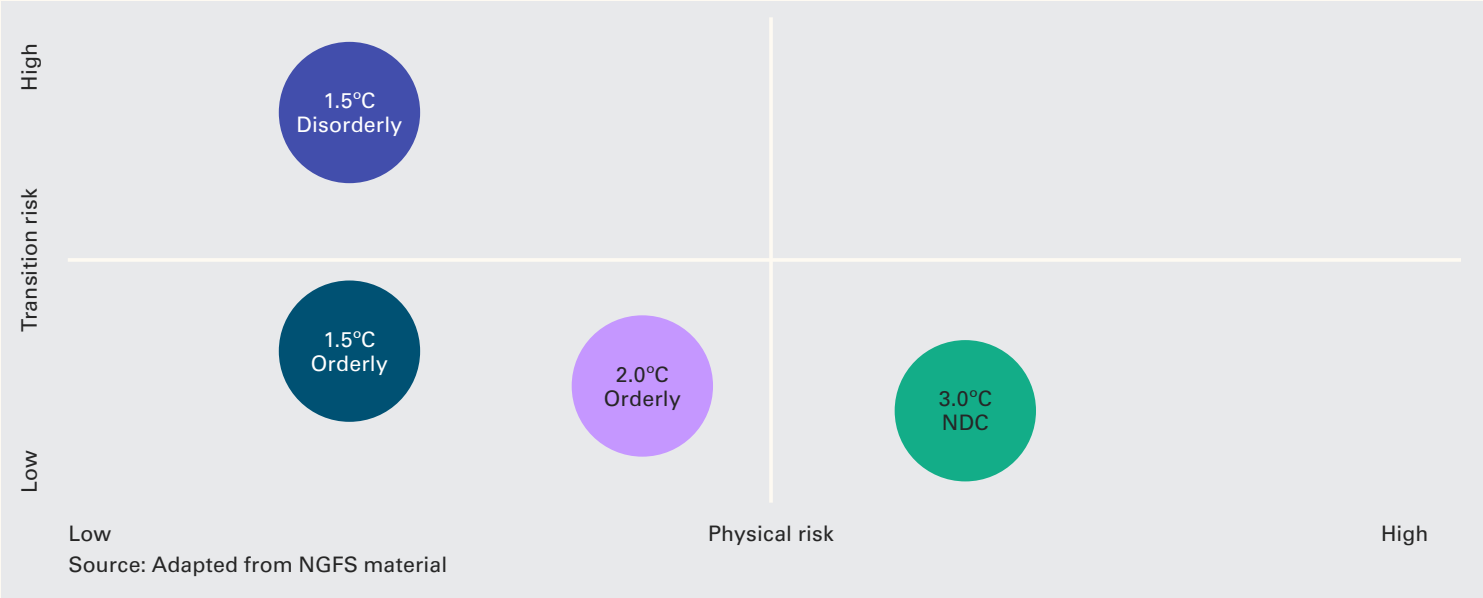
## SUMMARY

Climate risk is a material financial risk factor for our business. We are currently developing our first transition plan and its implementation will be fundamental to helping us to mitigate climate-related risks. The transition plan will map the journey, and thereafter monitor progress, against the net zero commitments, whilst acknowledging the areas of uncertainty.

Furthermore, we are taking steps to embed climate risk into business as usual and as part of key decision making processes, in particular with regard to investment decisions. Our climate scenario analysis will continue to be developed and enhanced to monitor our climate-related exposure and to identify management actions to mitigate against these.

## KEY FINDINGS

- 1.5° orderly and disorderly scenarios.**  
In these scenarios, the estimated impact of physical risk is the same, reflecting the same assumed level of warming in both scenarios. Transitional risks are higher in the disorderly scenario reflecting the delayed or divergent implementation of low carbon policies. The transitional risks are partially offset by the transitional opportunities which are expected to emerge as a result of increased low-carbon technologies.
- 2.0° and 3.0° scenarios.**  
In these scenarios, the expected physical risk increases as expected. We note that whilst physical risk is thought to be underestimated in all scenarios, the degree of underestimation is expected to be higher in these scenarios. Transitional risks and opportunities are significantly lower in these scenarios reflecting the introduction of fewer low-carbon policies.



**1.5° disorderly scenario:** warming is limited to 1.5° above the pre-industrial averages; however, the transition is achieved via delayed and divergent policy changes across countries and sectors.

**1.5° orderly scenario:** warming is limited to 1.5° above the pre-industrial averages and the transition is achieved via immediate and smooth policy changes.

**2.0° orderly scenario:** warming is limited to 2.0° above the pre-industrial averages and that the transition is achieved via immediate and smooth policy changes.

**3.0° NDC scenario:** countries only implement climate-related policies which they have committed to, which results in warming reaching 3.0° above the pre-industrial averages.



# LOOKING BEYOND CLIMATE

Global wildlife populations have plummeted by 69% since 1970<sup>2</sup>. The rich biodiversity that sustains our planet is in crisis, putting every species at risk.

We recognise the need to start taking action to address our impact on nature. To do this, we need to first understand our exposure to nature-related impacts, dependencies and risks through assessing the sectors and locations of our invested assets.

We have started our work by assessing one of our material funds and the assets it holds. We have considered the most significant sectors of the fund and used the ENCORE database to evaluate the potential impacts on nature. This initial high level analysis identified that at

least 60% of the assets in this portfolio depend on at least one ecosystem service. This shows the criticality of protecting nature and our ecosystems.

We will deepen our analysis to better understand the potential impacts and assess further funds and assets across our business. This data can then be used to support informed investment decision making.

**Also, in 2024, we signed the Finance for Biodiversity (FfB) Pledge to show our commitment to taking action on biodiversity. As part of becoming a signatory, we will develop nature-based targets to help halt and reverse biodiversity loss by 2030.**



# OUR COMMITMENTS

We take action in line with our principles of

**Do no harm. Do good. Act now for later.**



# NET ZERO

We generate emissions from our operations, such as our offices and travel (operational emissions) and from the assets we and our customers invest in (financed emissions). Our financed emissions represent the significant majority of our total emissions.

We are committed to transitioning to become a net zero group by 2050. According to the UN, net zero means 'cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.'

Source: [www.un.org/en/climatechange/net-zero-coalition](https://www.un.org/en/climatechange/net-zero-coalition)



# DECARBONISING OUR INVESTMENT PORTFOLIO

Over 99.9% of our 2024 emissions were generated by the companies in which we and our customers invest. Clearly, decarbonising these investments is a key priority for us.

## ENGAGEMENT

We believe the best way to decarbonise our investment portfolio and achieve a fair and balanced transition is to engage with companies and industries to seek to influence them to decarbonise, including the heaviest polluters. We will do this either through engaging directly with our asset managers or engaging collaboratively with other asset owners.

## THE BIGGER PICTURE

Engagement is key to a just transition. For example, if all investors divested away from a large company which was a heavy emitter, it would have a positive impact on net zero targets but might have a negative impact on that company’s workforce, local economies and wider communities. So, we prefer to look at the bigger picture and encourage our invested companies to develop their own transition plans. Our asset managers will monitor the pace of change and as a last resort if there’s insufficient progress or a lack of transparency, we will divest an asset.





# WHAT ARE OUR TARGETS?

We have currently set two targets for our financed emissions to meet our commitments:

1

**NET ZERO FOR ALL  
EMISSIONS BY 2050**

When setting these targets, we followed the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Investment Framework (NZIF) and the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C (SR1.5), which states that in mitigation pathways with no or limited overshoot of 1.5°C, global net carbon emissions need to decline by between 41% and 58% from 2010 levels by 2030, reaching net zero around 2050.

2023 is our baseline year. Although 2019 has been commonly used elsewhere, we decided that it would be more efficient to commit resource to make real-world changes rather than prioritising the generation of historical data. This does mean that

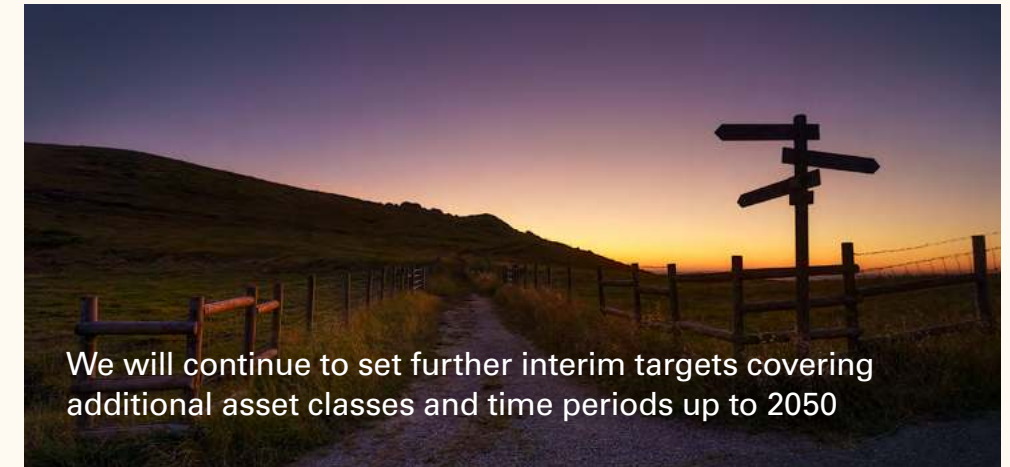
2

**50% INTENSITY REDUCTION BY 2030**

from our 2023 baseline figures in the scope 1 and 2 emissions for our listed equity and corporate fixed income investments which we are able to influence or control

any actions taken since 2019 to decarbonise by the companies we invest in will already be reflected in the starting position. This will potentially make our 2030 target more challenging and so we'll continue to assess the potential impact that this may have had.

The radical change required to reduce by 50% by 2030 will depend on some factors completely out of our control, such as the pace of decarbonisation in the real economy, organisations across the financial system, and the development of new technologies and government policies to support the transition. We're producing our first transition plan which will give us more clarity on what needs to happen and when, what we do know and what we don't.



We will continue to set further interim targets covering additional asset classes and time periods up to 2050

It's vital to have ambitious targets and plans that drive real action. At the same time, we don't want to set unrealistic goals which we can't achieve. 50% is a stretching target but rather than shy away from it, we're using it to drive behaviour and action.

We expect that as plans develop and as science, methodologies and data evolve, our targets and plans may change and evolve too. We're going to be iterative in our approach and we'll communicate openly and transparently when and why targets may change.



# CHALLENGES WE MAY FACE

There are likely to be challenges for the business and wider society to decarbonise and there will be difficulties in reaching net zero by 2050. For our interim target, reducing our financed emissions for in-scope assets by 50% by 2030 will be incredibly challenging and is impacted by factors out of our control.

## LEVEL OF CONTROL OVER INVESTMENT DECISIONS

For our targets to be meaningful and affect real change, we have to include the assets that we can influence or control which are held in funds.

For a lot of these funds, we don't decide the assets the fund invests in and so decarbonising will involve active engagement with our asset managers.

## ASSET MANAGEMENT

The majority of the Group's assets are managed by asset managers outside of our group. Therefore, these asset managers will play a significant role by engaging and monitoring the progress of the investee companies on our behalf. We therefore need to ensure our asset managers are on a pathway to decarbonisation that aligns with our own. If they're not, then meeting our targets will be tougher.

During 2024, we engaged with our key asset managers across the Group to understand their decarbonisation plans and targets. This engagement will help to inform next steps and the detail of our transition plan.

## OUR FAIR SHARE

We're targeting a 50% reduction by 2030 in line with what is required for the market as a whole but if some of our investments have already progressed well with their reductions prior to our baseline year, or others have less potential for decarbonising in the short term, then achieving that 50% target will become less likely. We'll continue to assess this as part of our transition planning and delivery.

## ACQUISITIONS

Growing our business through acquisitions is one of our strategic pillars. Every time we acquire a new portfolio or business, we will need to take into account the additional assets and their associated emissions. We are developing our re-baselining policy as part of our transition planning to make sure any acquisition activity is reflected accurately in our reporting and progress.

## HOW WILL WE DO IT?

We are currently drafting our first transition plan for publication later this year. This will provide further clarity on what needs to happen and when. The plan is based on NZIF 2.0, a framework provided by the IIGCC designed to guide the financial sector in managing the transition to a low-carbon economy. The plan will bring increased confidence to our stakeholders of how we will meet our commitments and we look forward to sharing it with you.



# OUR METRICS AND METHODOLOGY

We have calculated our 2024 financed emissions using the MSCI platform. For more information on how these figures are calculated, please see our [2024 CRFD](#). We report the following metrics:

1

## TOTAL FINANCED CARBON EMISSIONS (ABSOLUTE EMISSIONS) (TONNES OF CO<sub>2</sub>e)

This shows our absolute greenhouse gas emissions (GHG) and allows us to establish the emissions baseline of our portfolio by measuring financed scope 1, 2 and 3 emissions.

2

## FINANCED CARBON EMISSIONS (ABSOLUTE EMISSIONS NORMALISED BY \$M INVESTED) (TONNES OF CO<sub>2</sub>e)

This shows the total carbon financed emissions of a portfolio normalised by the market value of the portfolio. The metric enables us to compare the emissions of different portfolios.

3

## WEIGHTED AVERAGE CARBON INTENSITY (WACI)

### a. WACI Corporate

This shows our exposure to carbon intensive companies (tonnes CO<sub>2</sub>e by \$M sales)

### b. WACI Sovereign

This shows our exposure to a country's transitional risks and physical and economic vulnerability to climate change (tonnes CO<sub>2</sub>e by \$M GDP nominal)

Financed emissions calculations are our proportion of the emissions generated by the companies in which we invest, and are calculated using available data and the MSCI tool and methodology. Investments included are primarily corporate fixed income, listed equity, sovereigns and funds. As noted, data is not complete for all our investments and so we extrapolate the results for the companies we do have data for to determine the emissions for the portfolio. This assumes that the investments for which data isn't currently available have the same emissions profiles as those included in the data coverage percentage. As data availability increases for those investments not currently included, any variances in their emissions profiles will result in a difference to the total financed emissions and financed emissions totals. Assets that do not currently form part of the calculations for the portfolio are structured notes, collateralised securities, cash and deposits, mortgages and loans, and property. This means that if our portfolio moves from assets included in the calculations to those that are not, we may see a reduction in the absolute emissions reported; however, this would be as a result of the availability of data rather than true decarbonisation activities.

As data and methodology becomes available for our remaining asset classes, we will expand our calculations and targets to capture them.



# 2024 FINANCED EMISSIONS

Our 2024 calculations, which are based on the data at the end of September 2024, show we made good progress against our targets. For the assets classes for which emissions can be calculated, we saw the scope 1 and 2 normalised emissions<sup>3</sup> of our total portfolio reduce by 13%. The investments included in our 2030 targets represent a majority of the assets within this total and so we are on track to achieve our target. Our scope 3 normalised emissions also dropped by 1% and whilst we saw progress in reducing our absolute<sup>4</sup> scope 1 & 2 emissions by 3%, we did increase our scope 3 emissions by 10%. The difference between these two metrics is partly explained by the increase of our in-scope assets under management by circa 5% as a result of acquisition activity meaning that we have more assets for which we are reporting emissions.

Our WACI corporate<sup>5</sup> exposure to carbon intensive companies decreased by 5% (scope 1 & 2) and 1% (scope 3); however, our WACI sovereign exposure<sup>6</sup> has increased by 7%. It is, however, important to note that data coverage is very low for our sovereign bond investments (9%) which is likely to lead to an increase the period-on-period volatility of our results for this

asset class. We expect this data coverage to increase over time which will help address this volatility.

When opportunities have arisen to rebalance our portfolios, we have been careful to integrate our financed emissions objectives into our decision making process. Analysis shows that redemptions within our portfolios has also contributed to the change in our financed emissions figures. Of course, changes in data coverage and any updates that our investee companies have made in the reporting of their own financed emissions have all played a part in the changes we see.

Our climate data comes from an external provider and just as we baseline and monitor our financed emissions figures, we do the same for data coverage. Except for WACI sovereign, the data coverage has improved across all our measures this year. We are eager that this continues to improve and so we will work with our external data provider to identify any assets that are not covered to help ensure that they are added to coverage within expected timeframes. This will allow us to increase the accuracy of our financed emissions and exposures.

## Financed emissions (tCO<sub>2</sub>e)

|                                                        | Scope 1 and 2 |               |          | Scope 3   |               |          |
|--------------------------------------------------------|---------------|---------------|----------|-----------|---------------|----------|
|                                                        | 2024          | 2023 baseline | movement | 2024      | 2023 baseline | movement |
| Total financed carbon emissions (absolute emissions)   | 515,298       | 533,073       | -3%      | 4,764,459 | 4,345,991     | 10%      |
| Financed carbon emissions (normalised by \$m invested) | 34            | 39            | -13%     | 313       | 315           | -1%      |
| % coverage                                             | 59%           | 58%           | 1%       | 59%       | 56%           | 3%       |

## Weighted Average Carbon Intensity (WACI)

|                | Corporate Constituents<br>(tonnes CO <sub>2</sub> e/USD M sales) |               |          |         |               |          | Sovereign Constituents<br>(tonnes CO <sub>2</sub> e/USD M GBP nominal) |               |          |
|----------------|------------------------------------------------------------------|---------------|----------|---------|---------------|----------|------------------------------------------------------------------------|---------------|----------|
|                | Scope 1 and 2                                                    |               |          | Scope 3 |               |          | GHG intensity                                                          |               |          |
|                | 2024                                                             | 2023 baseline | movement | 2024    | 2023 baseline | movement | 2024                                                                   | 2023 baseline | movement |
| Chesnara Group | 69                                                               | 72            | -5%      | 645     | 654           | -1%      | 221                                                                    | 207           | 7%       |
| % coverage     | 63%                                                              | 62%           | 1%       | 63%     | 59%           | 4%       | 9%                                                                     | 11%           | -2%      |

For more information on how these figures are calculated, please see our [2024 Climate-Related Financial Disclosures report](#).



# ANALYSING OUR INVESTMENTS

As we’ve highlighted, when it comes to financed emissions, some assets will be easier to decarbonise than others, depending on how much control and influence we have over the investments. Different categories of assets will need different plans and timescales and, in each case, our asset managers will be required to understand and oversee their own plans to transition to net zero.

Further analysis of our investments shows that we hold investments in some of the world’s 165<sup>7</sup> biggest emitters, as identified by Climate Action 100+. The net zero plans for these top emitters form an important part of our own decarbonisation transition. At the end of Q3 2024, we held direct investments in 58<sup>8</sup> of those 165 companies with a total of £122m<sup>9</sup> of assets under management. Only five of these companies<sup>10</sup> representing £10m<sup>11</sup> of our investments, don’t have a net zero plan in line with the Paris Climate Agreement.

We must also consider how our transition plans impact on the climate and nature emergencies. Nature Action 100 is a global investor engagement initiative, focused on reversing nature and biodiversity loss, which has identified 100 companies to engage with that have a high potential impact on nature. At the end of Q3 2024, we held direct investments in 40 of those 100<sup>12</sup> companies with a total of £74m of assets under management.

We will continue to assess our exposure to companies within the Climate Action 100+ and Nature Action 100. This assessment will help inform our strategy and investment decision making as we transition.

For our 2050 target, we also have to include the assets that we don’t feel we’re able to materially influence or control.

| DEGREE OF CONTROL                                                   |                                                                                                                                     |                                                                                                   |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Most control                                                        |                                                                                                                                     | Least control                                                                                     |
| Assets that we control where they are invested                      | Assets that can influence where they are invested                                                                                   | Assets which are invested without our control or influence                                        |
| These are our direct investments and we choose what assets are held | These are investments where we can choose into which fund they are invested but that fund isn’t specific to us and our requirements | These are assets where we offer a product or a platform for others to make the investment choices |



# DECARBONISING OUR OPERATIONS AND SUPPLY CHAIN

The second element of our decarbonisation journey relates to our operations.

Though these emissions represent a small number in comparison to our financed emissions, they remain a priority. At a time where the effects of climate change are becoming increasingly evident, we remain committed to leading by example.

Since setting our initial target in March 2022, we've spent time collating and analysing our data, broadening the emissions captured by our calculations and reporting, and engaging with key suppliers across the Group to gain valuable insights to inform our actions. From this work, we recognise the need to adjust the Group's operational net zero ambitions.

The road to net zero will be a bumpy one, so we need to be able to adjust course when it is right to do so. The important thing is that we have a well-considered strategy, we communicate that strategy clearly and we do everything we can within our control. Later this year, we will publish our first transition plan and in it we will communicate how and when we plan to be operational net zero for all of our emissions.

This doesn't mean we are scaling back our efforts; instead, we are revising our focus to make sure we have the biggest impact we can with the control we have. We want our goals to be ambitious, meaningful and reflect the urgency of the climate crisis, yet we must do it in a way that doesn't negatively impact livelihoods, wellbeing or inclusion.

## Supplier engagement

The largest share of our operational emissions arises from purchased goods and services, so we know engaging with suppliers is critical. In 2024, we took our first steps in creating a long-term supplier engagement initiative focusing on sustainability. These steps included:

- Embedding sustainability into the selection processes for appointing material suppliers, to increase transparency and ensure we are working with suppliers who understand sustainability as a strategic priority
- Engaging with our key suppliers to understand their decarbonisation plans, how these align with our own and what next steps this will drive

Although we are taking the right steps, our influence over supplier emission reduction measures is limited and we expect this to be reflected in our category 3.1 emissions reported in the short term. Currently, our emission movements mainly correlate with changes in the amount we have spent during the year. This means that a 28% reduction in this category shouldn't be seen as a reduction in emissions on a like-for-like basis.





# DECARBONISING OUR OPERATIONS AND SUPPLY CHAIN

The 2024 results show a 25% reduction to our 2023 baseline. This is a movement in the right direction. Whilst this movement is in part down to data and methodology changes, we are pleased to be able to point to actions we have taken across the Group to reduce our emissions:

- Our gas heating consumption (scope 1.1) has reduced, through both moving our Bristol colleagues to a smaller office, and closing off parts of Scildon’s office which are not occupied during certain days of the week
- The Group has been focusing on digitalisation, particularly Waard through its online customer portal ‘Mijn Waard’, which has reduced postal emissions (scope 3.4)
- The significant reduction in emissions from business travel (category 3.6) is a sign that we are considering sustainability in everyday decision making at an individual level
- We installed energy efficient LED lighting in the Preston office at the end of 2023, which has helped to reduce our 2024 electricity consumption (scope 2.1)

The reduction in purchased goods and services (scope 3.1) emissions is due to an enhancement of the data used in the calculations. Through our carbon accounting partner’s database, we have been able to use an increased number of emission factors specific to suppliers to calculate the associated emissions instead of industry averages. We expect the methodology for this category to continue to evolve and improve in accuracy as new data becomes available.

Not all types of emissions have reduced. For example, we have seen employee commuting (scope 3.7) increase during the year as a result of higher office attendance across our businesses. This demonstrates some of the challenges we have with reducing emissions but we continue to consider methods of encouraging and incentivising sustainable travel, including our employee electric vehicle salary sacrifice scheme in the UK. The UK have also issued an updated Expense Policy which aims to help embed sustainable choices into our business-related travel.

## Our 2024 operational emissions

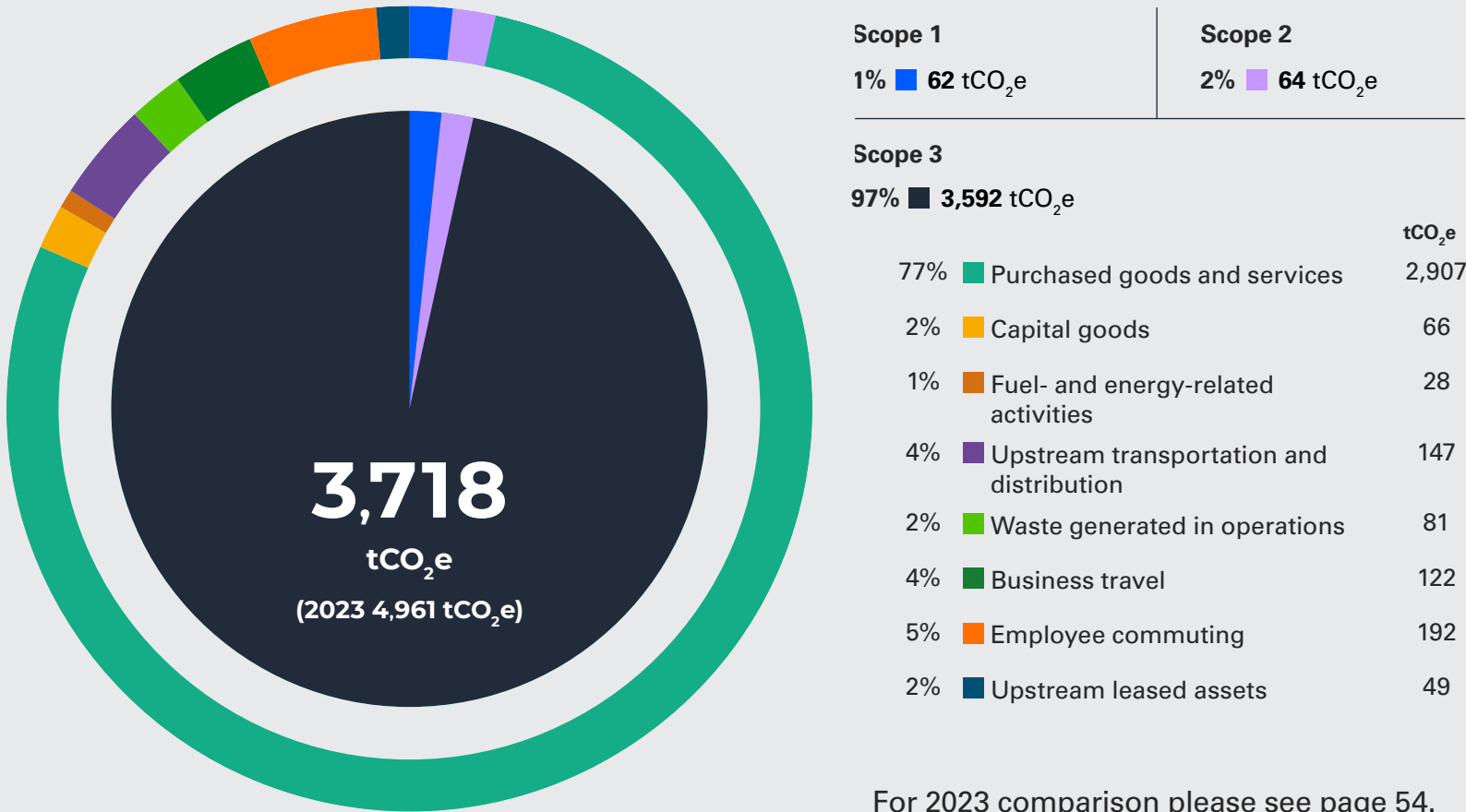
| Scope                       | Category                                                               | 2024 (tCO <sub>2</sub> e) | 2023 Baseline (tCO <sub>2</sub> e) | YoY movement (tCO <sub>2</sub> e) | YoY movement % |
|-----------------------------|------------------------------------------------------------------------|---------------------------|------------------------------------|-----------------------------------|----------------|
| 1.1                         | Generation of electricity, heat or steam                               | 38                        | 61                                 | -23                               | -38%           |
| 1.2                         | Transportation of materials, products, waste, and employees            | 12                        | 14                                 | -2                                | -14%           |
| 1.4                         | Fugitive emissions                                                     | 12                        | 8                                  | 4                                 | 49%            |
| Scope 1 total               |                                                                        | 62                        | 83                                 | -21                               | -3%            |
| 2.1                         | Electricity related indirect emissions                                 | 64                        | 97                                 | -33                               | -34%           |
| Scope 2 total               |                                                                        | 64                        | 97                                 | -33                               | -34%           |
| 3.1                         | Purchased goods and services                                           | 2,907                     | 4,035                              | -1,128                            | -28%           |
| 3.2                         | Capital goods                                                          | 66                        | 97                                 | -30                               | -31%           |
| 3.3                         | Fuel- and energy-related activities not included in scope 1 or scope 2 | 28                        | 54                                 | -26                               | -49%           |
| 3.4                         | Upstream transportation and distribution                               | 147                       | 224                                | -77                               | -34%           |
| 3.5                         | Waste generated in operations                                          | 81                        | 32                                 | 49                                | 153%           |
| 3.6                         | Business travel                                                        | 122                       | 183                                | -62                               | -34%           |
| 3.7                         | Employee commuting                                                     | 192                       | 109                                | 83                                | 76%            |
| 3.8                         | Upstream leased assets                                                 | 49                        | 48                                 | 1                                 | 2%             |
| Scope 3 total               |                                                                        | 3,592                     | 4,781                              | -1,190                            | -25%           |
| Total operational emissions |                                                                        | 3,718                     | 4,961                              | -1,243                            | -25%           |

Scope 1.3, 2.2 and 3.9-3.14 are not applicable for our Group. Emissions in category 3.15, financed emissions, are considered separately.



# DECARBONISING OUR OPERATIONS AND SUPPLY CHAIN

Chesnara’s 2024 carbon footprint



For 2023 comparison please see [page 54](#).

## Reporting methodology

97% of our operational emissions arise from scope 3 emissions, specifically purchased goods and services which represent 77%. Methodology to calculate these emissions currently relies heavily on estimates and industry averages and so we continue to work with Greenly, as our carbon accounting data provider, to enhance the accuracy of this data by bringing in supplier specific data where possible.

We expect the volatility to continue when looking at absolute emissions values and so we will be looking to expand our use of intensity-based metrics for operational emissions to help explain progress.

## Carbon offsetting

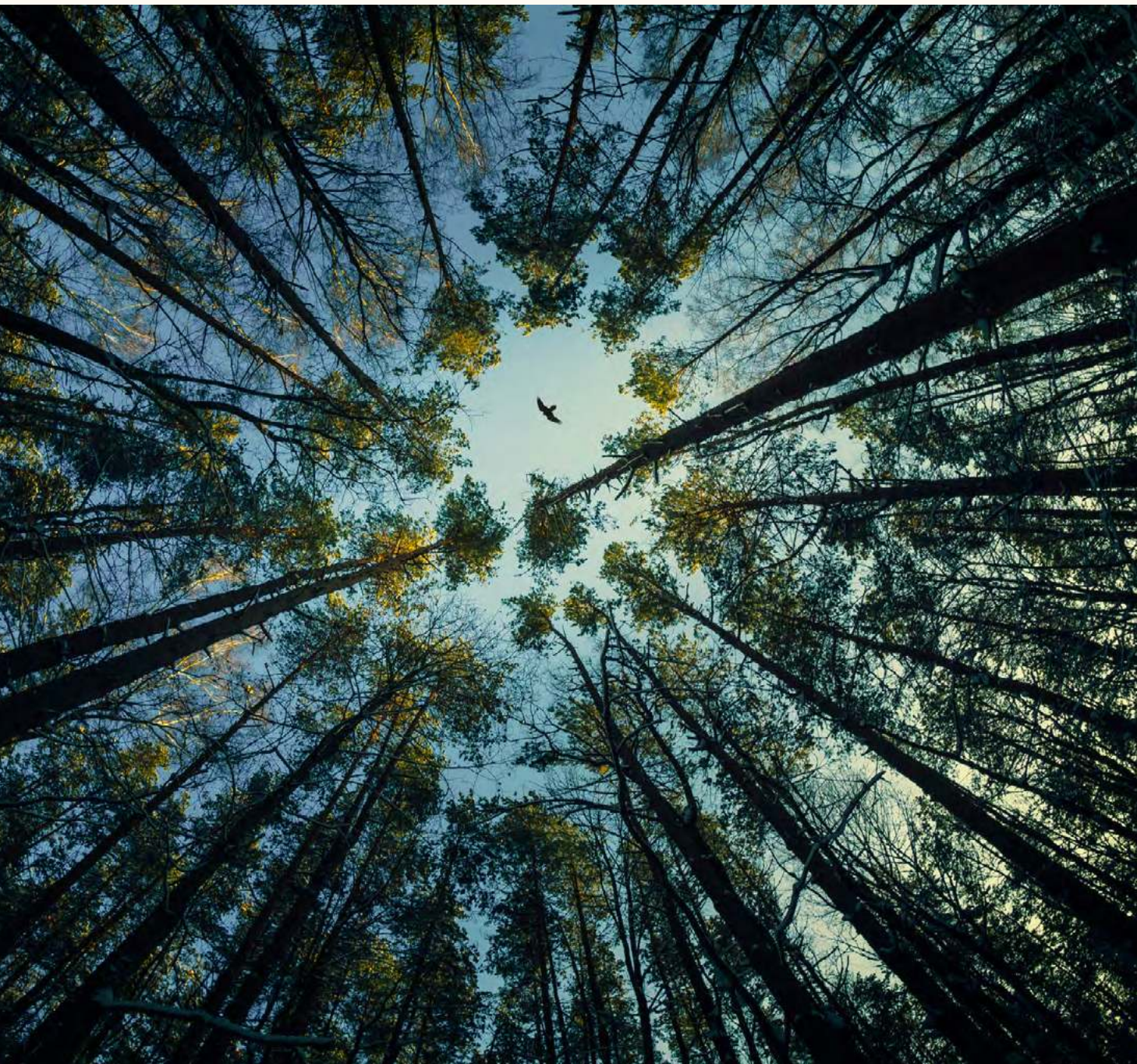
We remain focused on reducing the carbon emissions associated with our operations and investments. We also continue to consider the important yet complex role offsetting can play in the global transition to net zero.

For 2024, we have again offset our operational emissions, excluding scope 3.1 purchased goods and services, of 811 tonnes of CO<sub>2</sub>e by supporting several verified projects in alternative energy and water safety, as well as planting 811 trees in the UK. These are high quality carbon reduction projects that comply with international verification standards and are amongst Carbon Footprint Ltd’s offset projections portfolio, details of which can be found [here](#). We will continue to assess our approach to offsetting, including considering partnerships with organisations supporting nature-based solutions.



# POSITIVE SOLUTIONS

We're committed to making a positive impact. During 2024, we continued to direct capital into activities that deliver or enable the UN Sustainable Development Goals.



# INVESTING IN POSITIVE SOLUTIONS

UN-commissioned research, conducted in 2021, highlighted how important it is to direct capital to positive solutions. That research found that the world needs \$125tn of climate investment by 2050 to slash its emissions and meet its Paris Agreement goals.

The International Energy Agency said we need \$4.5tn every year by the early 2030s for clean energy alone. The world is a long way off these targets and these figures don't directly cover the requirements for nature or social inclusion and equality. Maybe we can't move the dial far in this respect but we can take responsibility for the assets we control. We can invest some of our capital into positive solutions, covering climate, social and nature-based investments too.

As an insurance company, we have to account for liquidity and capital requirements to make sure we're running our business effectively, benefitting all our stakeholders and operating within our risk tolerances. Impact investing is where financial returns meet the power to create lasting, positive change in the world. We are committed to investing in positive solutions to fund positive change which takes into account these wider factors.



# POSITIVE SOLUTIONS AND SUSTAINABLE PROJECTS

At the end of 2024, we held approximately £135m of investments in green and social bonds, which represents an increase of approximately 65% compared to the end of 2023.

One of our focuses in 2025 will be to increase the value of the investments held in these solutions across the divisions. We are also looking to set medium-term targets for our positive solution investments, as well as metrics to monitor the impact of the investments.

Alongside these investments and making a positive impact with other investments, we'll keep offering sustainable product choices to the market aligned with the Paris Climate Agreement, such as our Easy B product. Together with our asset manager, Cardano, we're dedicated to proving that sustainability, financial returns, and positive social impact go hand-in-hand and are mutually beneficial. By the end of 2024, we held over £186m invested in these funds.

Scildon has also continued its partnership with Justdigggit – a non-governmental organisation working to regreen degraded land in Africa by restoring the vegetation that helps cool the planet.

In 2024, Movestic broadened their sustainable product offering to include:

- a global Article 8 index-linked equity fund with leverage exposure to the MSCI World Climate Paris Aligned Index, focusing on climate investments;
- a real asset fund investing in listed infrastructure and forestry companies focusing on green transition; and
- a fund investing in the critical cyber security sector, which holds Morningstar's Low Carbon Designation label.

These alternative fund options give customers a chance to make pension contributions and capital investments that generate returns and make a positive impact on society.

£135m

of investments in green and social bonds



Justdigggit employee in Tanzania.



# AN INCLUSIVE BUSINESS

We're committed to being an inclusive business – considering our stakeholders in everything we do. For our team, this means a working environment that makes every employee feel valued, supported and able to thrive, regardless of who they are or what they do, while also acknowledging their differences. For our customers, this means providing financial security and, more widely, it means

supporting those in society that need it most. For the communities in which we operate, this means supporting them to deliver lasting positive change. Inclusivity and sustainability go hand in hand, and we're continuing to embed both within our business. We're proud of our ambition here and we want all our stakeholders to feel the same.





# OUR SOCIAL IMPACT

At the heart of our social value work is our commitment to support the development of a fairer and more inclusive society.

In 2024, we continued to focus our efforts on delivering a social impact using our six priority social sustainability themes.

|                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>COMMUNITY IMPACT</b><br>We will support our communities to deliver lasting positive change.                                                     | <br><b>CLIMATE AND NATURE</b><br>We will make changes to safeguard our planet, recognising the positive social impact that can be generated from environmental stewardship and climate action.  | <br><b>CUSTOMER CARE</b><br>We will provide products and services that meet our customers' changing needs.                                                                        |
| <br><b>EQUAL OPPORTUNITIES</b><br>We will invest in our people, recognise talent and effort and provide opportunities to those from all backgrounds. | <br><b>HEALTH AND WELLBEING</b><br>We will promote the health and wellbeing of our employees through compassion, flexibility and the delivery of programmes to achieve a healthier workplace. | <br><b>SUSTAINABLE SUPPLY CHAINS</b><br>We will work with our partners to create sustainable supply chains, facilitating an inclusive, low-carbon and socially just transition. |

# COMMUNITY IMPACT

We have a passion for sustainable social change. By supporting a variety of causes that resonate with the unique identities of our divisions, we’ve been able to have a positive impact on people and planet. We have increased visibility of our corporate volunteering programmes and continued to raise funds for the causes close to our hearts. We will continue this important work and, in 2025, we want to increase the number of hours our people spend volunteering.

**480hrs**  
of volunteering to support good causes in 2024



## VOLUNTEERING

Giving back is an important part of our culture and we’ve continued to do this by volunteering and sharing skills and knowledge. Our people across the UK and Netherlands can take two days’ paid leave each year to volunteer. This year, our outdoor initiatives with Trees for Cities and Wildlife Trusts provided the perfect platform for employees to get out from behind the desk, planting trees and clearing footpaths along the River Ribble. Our volunteers also provided support to multiple organisations including Career Ready, St Catherine’s Hospice and Sherpa.

## OUR CHARITABLE GIVING FUND

Every year, Scildon demonstrates its commitment to drive social good through its Charitable Giving Fund, an initiative that makes financial awards to charitable causes throughout the year. Employees who actively support a good cause outside of work can apply for financial support on its behalf. In 2024, three charities received contributions this way: Swim to Fight Cancer, an organisation that raises funds for cancer research; FloJa Malawi, a Malawian community organisation, which received help to purchase a vehicle to attend medical emergencies and deliver essential supplies; and a local food bank, that received support at Christmas. These are small gestures that we hope can help to make a big difference.

## SUPPORT CHARITABLE CAUSES

Chesnara is proud to support charitable causes both locally and internationally. In Sweden, we’ve supported UNICEF, helping young people access the start in life they deserve; in the Netherlands, we continued our long-standing charitable relationships with Sherpa and Justdiggitt, as well as providing employees with the opportunity to apply to its Charitable Giving Fund, on behalf of their chosen charity; and in the UK, we’ve continued to support Safenet and have teamed up with the Charity Aid Foundation, giving our UK colleagues the opportunity to donate through Give as You Earn.

## LOVELIFE RUN

In April, Scildon marked its dedication to building a healthier future by sponsoring the LoveLife Run, organised by Dutch charity Stichting Fight Cancer. This inspiring event brings people, including members of our Dutch team, together to run for those affected by cancer and to raise money for medical research. We’ll continue our sponsorship in 2025, looking to increase the scale and impact of the event.



# CLIMATE AND NATURE

We know that climate change and nature loss are deeply connected; one problem cannot be solved without addressing the other. This means that, alongside our net zero and positive solutions commitments, mitigating the impact of nature loss and its associated risks will become a strategic priority for our business.

## TAKING ACTION

- We have baselined our financed emissions and set our initial interim targets, to demonstrate our commitment to becoming net zero by 2050
- We will publish our first transition this year to outline our steps to decarbonise
- In May, we demonstrated our commitment to protecting nature by signing the Finance for Biodiversity Pledge, which aims to take actions to reverse nature loss this decade
- We will continue to gain an understanding of the nature-related impacts, risks and dependencies of our investments



# CUSTOMER CARE

Our actions are always underpinned by our focus on delivering good outcomes to customers. We understand that every customer is different, yet everyone deserves the best possible service. That’s why, in 2024, we continued to review and update our operating processes to ensure no one is left behind.



### ENHANCING CUSTOMER JOURNEYS

In October, Waard completed the integration of its online customer portal ‘Mijn Waard’, giving customers real time access to their policies. It also allows customers to update personal information in a secure environment using two-factor authentication. While adapting to the portal will be straightforward for most, Waard is ensuring non-digital forms of customer support are still there for those that need it. As part of this work, Waard has started a wider process review to deliver better outcomes for customers, which will continue in 2025.

Our work to ensure good outcomes for customers will continue across the Group during 2025.

### SCILDON’S LIFESTYLE STOP SMOKING TERM INSURANCE

Scildon’s quit smoking proposition was established in April 2024 to help people become financially and physically fitter, by offering lower non-smoking premiums to customers who have recently quit smoking or are going to quit in the next two years. The customer receives both an immediate reward through a premium benefit when purchasing the insurance, as well as ongoing support via the WeQuit programme. This scheme helps to provide an incentive to live a healthier life with more than 800 policies sold since it was introduced.

This product has been recognised by the industry, and we are proud to say Scildon won the 2025 Adfiz Award in the Customer Interest category.



### CONSUMER DUTY

The Consumer Duty is a major FCA initiative that sets a higher expectation for the standard of care that firms give consumers. It requires firms to focus on delivering good outcomes for customers including those with vulnerable characteristics. We comply with the requirements of the Consumer Duty and continue to deliver good outcomes. During 2024, examples of activity undertaken include reviewing our customer journeys and communications against the requirements of the Consumer Duty, and completing fair value assessments of the products our customers have with us.

We identified actions that will enhance our customer outcomes and these are being progressed, including waiving all exit charges and implementing a cap on administration charges for small pots. Work to quantify characteristics of vulnerability within our customer base has also started and will continue into 2025.

# EQUAL OPPORTUNITIES =

We want to create a workplace where everyone feels welcome, valued and can thrive. We recognise the benefits of a diverse workforce to the individual, the business and society. As part of our work around diversity, equality and inclusion in 2024, we delivered a series of internship opportunities, continued to raise the bar on gender and reviewed our approach to diversity, equity and inclusion (DE&I) data collection.

**CREATING OPPORTUNITIES**

All young people deserve the chance to kick start their careers, regardless of socioeconomic background. In partnership with social mobility charity Career Ready, which works with employers to empower young people through workplace opportunities and support, we welcomed two students from Blackpool Sixth Form College into the business for a summer internship.

In the Netherlands, we hosted three students for internships, delivered in partnership with academic institutions Hogeschool Utrecht, the Hague University of Applied Sciences and the Amsterdam University of Applied Sciences. We provided the interns with the opportunity to make significant contributions to projects and present fresh ideas and perspectives.



**7** intern positions were supported across the Group in 2024

**BALANCING GENDER**

Gender diversity forms an important part of Chesnara’s selection and appointment process at leadership level, with 46.7% of our Group Executive Management team being female in December 2024.<sup>13</sup>

Chesnara is committed to gender balance at all levels and in 2025 will complete work to understand how it can develop its talent pipeline and further support the progression of women into senior roles.

Movestic maintained a strong focus on gender balance in leadership and workforce, equal compensation and work/life balance. From enhanced maternity and paternity leave, to a “no-meetings before 10am or after 4pm rule”, we are helping to close the gender gap and enable women to reach their full potential. This work was celebrated when the business was awarded a SHE index score of 84 out of 100, increasing 5 points from 2023 and placing Movestic within the top 5 of Swedish participants.

**FOCUS ON DATA**

We recognise the importance of data when it comes to understanding our workforce and driving real progress. We’ve spent time evaluating our approach to DE&I data collection across the Group and know there’s more to do. We’ll continue this work in 2025, taking the opportunity to learn from and identify best practice across our different geographies. In the UK, we understand that we need the right tools to collect this data, so we’re in the process of implementing a new HR platform that will help us to collate relevant insights to inform diverse and inclusive decision making.

# HEALTH AND WELLBEING

The health and wellbeing of our colleagues is a top priority. We understand that everybody’s situation is unique, yet balancing health, family and work is important to us all. That’s why we’ve invested in a range of benefits and resources to support our employees’ wellbeing, inside and outside of the workplace. We also have policies to empower and care for our people, both day-to-day and when they need it most.

94%

of our UK employees believe that we value their health and wellbeing

\*Question asked: “My line manager cares about my overall wellness, including health and mental wellbeing.” 78% of employees responded ‘all of the time’ and 16% responded ‘most of the time’.

## WELLBEING BENEFITS

Our employees’ health is key to becoming a sustainable Chesnara, so we’re making it easier for people to live healthy lives. Our colleagues have access to a range of initiatives that benefit their physical and mental wellbeing, including comprehensive health insurance, annual health checks and Employee Assistance Programmes. In addition to this, Movestic supports colleagues to make healthy choices every day, through lunchtime running clubs, subsidised massages and contributions towards health-related activities such as gym membership and yoga classes. During 2024, 90% of Swedish colleagues made use of these benefits, a strong indication of its value and impact.

## SUPPORTIVE CULTURE

We respect our employees’ time and their need for a work/life balance, which is why we foster a supportive culture across the Group. We’re working hard to ensure everyone feels cared for through the policies we have in place, which include flexible working, enhanced maternity and paternity leave, and paid sickness, bereavement and carers’ leave. In 2024, 94% of UK employees believe that we value their health and wellbeing.\*

We know we can do more and in 2025, we’ll be introducing a team of wellbeing advocates that can champion our approach to healthy and inclusive working lives.



# SUSTAINABLE SUPPLY CHAINS



Having a sustainable supply chain is more than environmental stewardship; it is a vehicle for driving positive social change. From ensuring our business is conducted to the highest standards of governance to contributing to stronger local economies, we aim to create positive social impact through responsible business practices. During 2024, we enhanced our supplier engagement and standards on social sustainability, as well as supporting the city of Preston to be recognised as a Living Wage City.

**REAL LIVING WAGE**

We are a Living Wage employer, paying the real living wage in the UK. We believe the campaign makes an important contribution to raising the profile of paying a suitable wage to employees to support living standards and building community wealth. That’s why, in 2024, we donated time and expertise to help boost awareness of the campaign across the city of Preston. Working alongside Preston City Council and other locally accredited businesses, we’ve developed a plan to increase the number of residents that are paid a wage that enables them to live a healthy and fulfilling life. We’re proud to play a part in promoting the economic and social wellbeing of our local community.

**SUPPLIER CODE OF CONDUCT**

As part of our ongoing work to become a sustainable Chesnara, the UK business enhanced its supplier onboarding due diligence and annual attestation processes, bringing the Supplier Code of Conduct in line with the key principles of the United Nations Global Compact. These changes ensure our suppliers uphold the same values, standards and commitments that we do. Our code holds material suppliers to standards in key areas including human rights, freedom of association, prevention of compulsory and child labour and the elimination of discrimination. Colleagues are also required to complete annual training on elements of the Code, such as whistleblowing, antibribery and money laundering; doing so raises awareness and helps to embed ethical practice throughout the business. Movestic also has an established Code of Conduct, and in 2025, we’ll support our Dutch divisions to enhance its procurement policies and processes to the same standard.



# ENGAGEMENT AND COLLABORATION

Engaging with other organisations and bodies lets us share learnings and get involved in relevant discussions. We’re looking forward to embracing and encouraging a spirit of collaboration that’ll help deliver real-world impact. There’s no doubt that sharing knowledge and experience will speed up the process of Chesnara and society becoming truly sustainable.

**We are members of and take part in a range of initiatives that relate to us as a business and the journey we’re on:**

- Institutional Investor Group on Climate Change (IIGCC)
- Association of British Insurers (ABI)
- UK Sustainable Investment and Finance Association
- Principles for Responsible Investment (PRI)
- UN Global Compact
- Pay Your Pension Some Attention
- Living Wage Foundation
- INSERV
- Finance for Biodiversity Foundation (FfB)
- Climate Commitment Financial Sector
- Dutch Association of Investors for Sustainable Development (VBDO)
- Dutch Insurer’s Association
- Insurance Sweden
- Insuresec
- Sweden’s Sustainable Investment Forum (Swesif)
- Swedish Investment Fund Association
- Swedish Insurance Association

**To find out more on our memberships and accreditations please visit the dedicated page on our website [here](#).**





# REPORTING ON OUR PROGRESS

Providing transparent updates on our progress in line with recognised reporting frameworks is a critical part of our journey to become a sustainable group.

The reporting road ahead is busy and complex across the UK and Europe. This complexity has been shown most recently through the EU Omnibus proposals announced in February 2025, which are expected to change the scope of the entities captured by the CSRD, CSDDD and the EU Taxonomy. We expect the proposals will result in the Group no longer being captured by the frameworks and we are now considering the impacts of the potential changes.

We welcome the various frameworks that will apply to our business and provide transparent and consistent sustainability-related disclosures. Some of the current and expected frameworks or regulations and our initial progress so far include:

INTERNATIONAL  
SUSTAINABILITY  
STANDARDS BOARD

TASKFORCE ON  
NATURE-RELATED  
FINANCIAL  
DISCLOSURES

TRANSITION PLANS

TASKFORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

CARBON DISCLOSURE  
PROJECT





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INTERNATIONAL SUSTAINABILITY STANDARDS BOARD

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

TRANSITION PLANS

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CARBON DISCLOSURE PROJECT

**INTERNATIONAL SUSTAINABILITY STANDARDS BOARD (ISSB)**

The ISSB issued its sustainability standards in June 2023 – IFRS S1 and S2, effective from 1 January 2024 subject to local jurisdictions.

The UK is currently working through its endorsement process. In anticipation of this, we have performed an initial gap analysis on the additional disclosures required from our current TCFD disclosures.

We welcome the standards, to help to standardise reporting on environmental and social issues across the globe, improving both transparency and accountability.





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FINANCIAL  
DISCLOSURES

TRANSITION PLANS

TASKFORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

CARBON DISCLOSURE  
PROJECT

**TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)**

We understand the importance of expanding our disclosures to consider nature-related impacts, risks and opportunities and have performed an initial case study to start to understand this.

The TNFD Framework provides a framework for how organisations can assess, report and act on their nature-related dependencies, impacts, risks and opportunities. Its effective date is still to be determined, but in 2025 we plan to continue to progress our nature-based assessment utilising the TNFD proposed LEAP approach.





# REPORTING ON OUR PROGRESS

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INTERNATIONAL  
SUSTAINABILITY  
STANDARDS BOARD

TASKFORCE ON  
NATURE-RELATED  
FINANCIAL  
DISCLOSURES

TRANSITION PLANS

TASKFORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

CARBON DISCLOSURE  
PROJECT

### TRANSITION PLANS

We are in the process of developing a groupwide transition plan under the NZIF 2.0 framework which will be published later this year.

On 9 October 2023, the UK’s Transition Plan Taskforce (TPT) published its finalised disclosure framework and supporting guidance, intended to help private sector companies develop, disclose, and deliver “gold standard” climate transition plans.

The FCA have previously expressed their commitment to drawing on the TPT framework as they continue to develop their disclosure expectations for listed companies. We expect rules and guidance to follow the UK’s endorsement of the ISSB standard and when we will ensure we align our plan with the framework when the framework becomes applicable.





# REPORTING ON OUR PROGRESS

Providing transparent updates on our progress in line with recognised reporting frameworks is a critical part of our journey to become a sustainable group.

The reporting road ahead is busy and complex across the UK and Europe. This complexity has been shown most recently through the EU Omnibus proposals announced in February 2025, which are expected to change the scope of the entities captured by the CSRD, CSDDD and the EU Taxonomy. We expect the proposals will result in the Group no longer being captured by the frameworks and we are now considering the impacts of the potential changes.

We welcome the various frameworks that will apply to our business and provide transparent and consistent sustainability-related disclosures. Some of the current and expected frameworks or regulations and our initial progress so far include:

INTERNATIONAL  
SUSTAINABILITY  
STANDARDS BOARD

TASKFORCE ON  
NATURE-RELATED  
FINANCIAL  
DISCLOSURES

TRANSITION PLANS

TASKFORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

CARBON DISCLOSURE  
PROJECT

**TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)**

The Taskforce developed a framework of recommendations to help public companies and financial institutions more effectively disclose climate-related risks and opportunities. We are fully supportive of the framework and our 2024 TCFD report is the fourth set of TCFD disclosures prepared by the Group following its introduction in 2021.





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CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

CARBON DISCLOSURE  
PROJECT

CARBON DISCLOSURE  
PROJECT (CDP)

CDP runs the global environmental disclosure system. Each year, we submit our responses to the CDP questionnaire and receive a score each year based on our disclosures.





# WHAT'S NEXT?



# WHAT'S NEXT FOR 2025 AND BEYOND

We know that driving change means staying focused on our commitments and bringing along our stakeholders on the journey. It is, after all, our stakeholders and their interests that are driving our action.

We have always been honest and transparent with the challenges we're facing and will continue to do so. Balancing the pace at which we progress with the level of resource that we have will no doubt continue, but we are optimistic for the future and truly believe we can make a real difference.

## Our 2025 focus areas are significant and include:

- Publish our first transition plan detailing how we will start to decarbonise
- Continue our supplier and asset manager engagement to understand how they will support us in meeting our commitments
- Progress our implementation of relevant reporting frameworks
- Continue to embed sustainability into decision making at all levels across the Group
- Continue to deliver impactful social value activities across our geographies
- Increase our investments in positive solutions





# A SUSTAINABLE CHESNARA

Our mission is to become a sustainable group with our core principles being:

DO NO HARM.  
DO GOOD.  
ACT NOW FOR LATER.

This is reflected in our sustainability commitments. These commitments will shape our plans and activities, and we look forward to continuing to report against them.





# GET IN TOUCH

Please get in touch with us if you have any feedback, questions or comments.

Andy Meek, Group Head of Sustainability  
[sustainability@chesnara.co.uk](mailto:sustainability@chesnara.co.uk)

Or if you want to read more about what we do and how we do it, here are some links to where you'll find that.

[Chesnara plc](#)

[Reports & Presentations 2024 – Chesnara plc](#)



# FOOTNOTES

| SUMMARY OF FOOTNOTES USED THROUGHOUT REPORT |                                                                                                                                                                                                                               | Page |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 1                                           | Includes impact of Canada Life portfolio acquisition, expected to Part VII and migrate in 2025                                                                                                                                | 7    |
| 2                                           | World Wildlife Fund (WWF) - <u>69% average decline in wildlife populations since 1970</u>                                                                                                                                     | 44   |
| 3                                           | The absolute greenhouse gas emissions associated with an asset class or portfolio divided by the loan and investment volume (expressed in tonnes CO <sub>2</sub> e / USD M invested)                                          | 51   |
| 4                                           | The absolute greenhouse gas emissions associated with an asset class or portfolio (expressed in tonnes CO <sub>2</sub> e)                                                                                                     | 51   |
| 5                                           | Exposure to carbon intensive companies (expressed in tonnes CO <sub>2</sub> e / USD M sales)                                                                                                                                  | 51   |
| 6                                           | A country’s exposure to transitional risk and physical and economic vulnerability to climate change (expressed in tonnes CO <sub>2</sub> e / USD M GDP nominal)                                                               | 51   |
|                                             | Footnotes 7-12 relate to the analysis included within the Chesnara plc 2023 Annual Sustainability Report considering the Group’s exposure to the companies within the <u>Climate Action 100+</u> and <u>Nature Action 100</u> |      |
| 7                                           | 2023: 163                                                                                                                                                                                                                     | 52   |
| 8                                           | Q3 2023: 59                                                                                                                                                                                                                   | 52   |
| 9                                           | Q3 2023: £131                                                                                                                                                                                                                 | 52   |
| 10                                          | Q3 2023: three companies                                                                                                                                                                                                      | 52   |
| 11                                          | Q3 2023: £9m                                                                                                                                                                                                                  | 52   |
| 12                                          | Q3 2023: 37                                                                                                                                                                                                                   | 52   |
| 13                                          | We define Group Executive Management as: non-executive and executive directors, Group senior leaders and business unit CEOs.                                                                                                  | 64   |



# GLOSSARY

## ADFIZ

Adfiz is the trade association of independent financial advisors in the Netherlands.

## ASSET OWNER VERSUS ASSET MANAGER

Asset owners are institutions or people who own the underlying assets but entrust the management of those assets to an asset manager. Chesnara and its divisions are asset owners and we employ a number of asset managers across the Group to manage our assets.

## BIODIVERSITY

Biodiversity, also called biological diversity, is the variety of life found in a place on Earth or, often, the total variety of life on Earth.

## CARBON FOOTPRINT

A carbon footprint is the total greenhouse gas emissions caused by an individual, event, organisation, service, place or product, expressed as carbon dioxide equivalent.

## CARBON FOOTPRINT LTD

Carbon Footprint Ltd provides tools and consulting services to support companies to measure, reduce and offset their carbon emissions. It offers a range of carbon offset projects which comply with international verification standards.

## CARBON NEUTRAL

When a company's CO<sub>2</sub> emissions are fully balanced by a combination of CO<sub>2</sub> reductions and/or offset by removals without necessarily reducing any of its greenhouse gas emissions.

## CARBON OFFSETTING

The action or process of compensating for carbon dioxide emissions, arising from industrial or other human activity, by participating in schemes designed to make equivalent reductions of carbon dioxide in the atmosphere.

## CLIMATE ACTION 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Their benchmark focuses on 166 companies that are critical to the net zero emissions transition.

## CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-Related Financial Disclosures has developed a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes.

## CONSUMER DUTY

Consumer Duty is a piece of regulation which applies to financial services firms in the United Kingdom. It sets high standards of consumer protection, requiring financial services firms to consider the needs, characteristics and objectives of their customers in order to deliver good outcomes for customers.

## CVaR

Climate Value at Risk (CVaR) is a forward looking metric used to estimate the potential impact of climate related risks on a company, portfolio or investment. Chesnara's use of CVaR in its climate risk modelling is outlined on [page 42](#).

## DECARBONISATION

An organisation's approach to reducing its production of greenhouse gas emissions.

## DORA

The Digital Operational Resilience Act (DORA) came into force in January 2025 and sets new requirements on financial institutions and their service providers in the European Union with regards to digital resilience.

## ENCORE

ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool that helps financial institutions to identify nature related risk and understand their dependencies and impacts on nature.

## EU OMNIBUS REGULATION

The EU Omnibus Regulation is a set of proposals aimed at simplifying sustainability rules within the European Union. It proposes significant changes to the Corporate Sustainability Reporting Directive (CSRD), the EU taxonomy and Corporate Sustainability Due Diligence Directive (CSDDD) which are intended to enhance the European Union's competitive position whilst addressing sustainability concerns.

## FCA

The Financial Conduct Authority (FCA) is a regulatory body responsible for overseeing and regulating financial services firms and financial markets in the United Kingdom.

## GREENHOUSE GAS PROTOCOL OF 2021

Greenhouse Gas Protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.



# GLOSSARY

## GREENLY

Greenly is a carbon accounting data provider and supports companies to track and analyse their carbon emissions.

## GREENWASHING

Greenwashing is false, misleading or untrue actions or claims made by an organisation about the positive impact that a company, product or service has on the environment.

## IIGCC

Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change. Their mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future.

## INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE

The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.

## ISSB, TCFD AND TNFD

Please refer to [pages 68-73](#) for definitions.

## JUST TRANSITION

The term used to describe the transition to a climate-neutral economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

## LIVING WAGE

The Living Wage Foundation is an organisation at the heart of the campaign for a wage for all based on the real cost of living.

## MSCI

MSCI is a leading provider of investment decision support tools. Many companies use MSCI data, tools and methodologies to support the integration of sustainability considerations into their investment process and portfolios.

## MSCI WORLD CLIMATE PARIS ALIGNED INDEX

The MSCI World Climate Paris Aligned Index is an index developed by MSCI to track the financial performance of large and mid-cap companies (across 23 developed market countries) that are aligned to the climate goals of the Paris Agreement. By incorporating climate-aligned considerations, it provides a financial benchmark for investors interested in climate-aligned companies.

## NATURAL CAPITAL

Natural capital describes the natural assets in the world around us, such as soil, air, water and all living things. From this, humans derive a wide range of services which make human life possible.

## NATURE ACTION 100

A global investor engagement initiative mobilising institutional investors to establish a common high-level agenda for engagements and a clear set of expectations to drive greater corporate ambition and action to stem nature and biodiversity loss.

## NET ZERO

Cutting greenhouse gas emissions to be as close to zero as possible and doing things that absorb carbon dioxide from the atmosphere too.

## NET ZERO INVESTMENT FRAMEWORK

The Net Zero Investment Framework provides a common set of recommended actions, metrics and methodologies through which investors can maximise their contribution to achieving global net zero emissions by 2050 or sooner.

## NGFS

The NGFS (Network for Greening the Financial System) is a group of central banks and supervisors committed to sharing best practices, contributing to the development of climate and environment related risk management in the financial sector and mobilising mainstream finance to support the transition toward a sustainable economy.

## PARIS CLIMATE AGREEMENT

A legally binding treaty adopted by 196 countries at the climate change conference in Paris in 2015. The main goal of the agreement is to cut global greenhouse gases in order to limit global temperature increases as close as possible to 1.5 degrees Celsius above pre-industrial levels.

## POSITIVE SOLUTIONS

Investing with the aim of generating specific beneficial social or environmental effects in addition to financial gains. For us, this means intentionally directing capital into activities that deliver (or enable) the achievement of the UN Sustainable Development Goals.



# GLOSSARY

## **PRA**

The Prudential Regulation Authority (PRA) is a part of the Bank of England. Its primary responsibility is to regulate and supervise financial institutions in the UK to ensure the stability and soundness of the financial system.

## **PRA SS2/21**

PRA SS2/21 is a supervisory statement issued by the Prudential Regulation Authority (PRA). It provides guidance on the PRA’s expectations for the governance arrangements in regulated firms, including with regards to operational resilience and third party risk management.

## **SCOPE 1, 2 AND 3 EMISSIONS – EMISSIONS / FINANCED AND OPERATIONAL EMISSIONS**

Scope 1, 2 and 3 is a way of categorising the different kinds of carbon emissions a company creates in its own operations, and in its wider value chain.

Scope 1 emissions – greenhouse gas emissions that a company makes directly – for example, while running its boilers and vehicles.

Scope 2 emissions – the emissions a company makes indirectly – like when the electricity or energy it buys for heating and cooling buildings is being produced on its behalf.

Scope 3 emissions – all the emissions associated, not with the Group itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

The big one for insurance companies is a sub-section of scope 3 which relates to emissions from the investments you make.

This sub-section is called financed emissions; everything else above is called operational or non-financed emissions.

## **SCIENCE-BASED TARGETS INITIATIVE (SBTi)**

More than a thousand businesses around the world are already working with the SBTi. Science-based targets provide companies with a clearly-defined path to reduce greenhouse gas emissions in line with the Paris Climate Agreement goals.

## **SDGS**

17 Sustainable Development Goals (SDGs) were set by the United Nations in 2015 with the aim of creating a more inclusive, sustainable and equitable world, and addressing a wide range of global challenges, by 2030. Many companies use them to shape their sustainability action.

## **SENIOR MANAGERS AND CERTIFICATION REGIME**

The Senior Managers and Certification Regime is a regulatory framework in the United Kingdom which ensures that senior managers and individuals in key roles within financial services firms are held responsible for their actions.

## **TRANSITION PLANS**

A transition plan shows stakeholders how an organisation will reach net zero in line with its targets across the organisation’s operations and value chains.

## **TRANSITION PLAN TASKFORCE**

Launched by HM Treasury in April 2022 to develop the gold standard for private sector climate transition plans.

## **WHISTLEBLOWING**

Whistleblowing is the act of reporting or exposing wrongdoing within an organisation, typically by an employee or insider. A whistleblower is granted various protections under UK law in respect of certain disclosures made in good faith and in the public interest.



# CAUTIONARY STATEMENT AND FORWARD-LOOKING STATEMENTS

This document should be read in conjunction with the other documents distributed by Chesnara through the Regulatory News Service. This document contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements with respect to certain of the plans and current expectations relating to the future financial condition, business performance, results, strategy and/or objectives (including, without limitation, climate-related plans and goals) of Chesnara plc.

Statements containing the words ‘believes’, ‘intends’, ‘will’, ‘expects’, ‘plans’, ‘aims’, ‘seeks’, ‘targets’, ‘continues’ and ‘anticipates’ or other words of similar meaning are forward looking.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of Chesnara plc including, amongst other things, UK domestic, Swedish domestic, Dutch domestic and global economic, political, social, environmental and business conditions, market-related risks such as fluctuations in interest rates, currency exchange rates, inflation, deflation, the impact of competition, changes in customer preferences, delays in implementing proposals, the timing, impact and other uncertainties of future acquisitions or other combinations within relevant industries, the policies and actions of regulatory authorities, the impact of tax or other legislation and other regulations in the jurisdictions in which Chesnara plc and its subsidiaries operate.

As a result, Chesnara plc’s actual future condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements.

No representation is made with regard to forward looking statements, including that any future results will be achieved. As a result, you are cautioned not to place undue reliance on such forward-looking statements contained in this document. Chesnara undertakes no obligation to update any of the forward-looking statements contained within this document or any other forward-looking statements we make. Forward-looking statements in this report are current only as of the date on which such statements are made.

The climate metrics used in this document should be treated with special caution, as they are more uncertain than, for example, historical financial information and given the wider uncertainty around the evolution and impact of climate change. Climate metrics include estimates of historical emissions and historical climate change and forward-looking climate metrics (such as ambitions, targets, climate scenarios and climate projections and forecasts). Our understanding of climate change and its impact continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and Chesnara expects that certain climate disclosures made in this document are likely to be amended, updated, recalculated or restated in the future. The information in this document is unaudited.



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MSCI third party notices



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